

Document 0930

[20930002]

Castle Harlan Inc. , a New York merchant bank , and Quantum Fund said they would acquire the assets for a combination of cash and the assumption of certain of Sharon 's liabilities .

[20930003]

The balance of the company 's assets and liabilities would be transferred to a new company that would be owned by Sharon 's creditors .

[20930004]

Quantum said it has agreed to purchase as much as \$ 50 million in equity in the new company , if necessary , for the confirmation of the plan .

[20930005]

Castle Harlan and Quantum said the plan is expected to be filed within 60 days with the U.S. Bankruptcy Court in Pittsburgh .

[20930006]

The agreement is subject to certain conditions , including obtaining financing .

[20930007]

Castle Harlan said that such financing is already being sought and that a formal proposal would be made to Sharon 's Chapter 11 trustee and other Sharon creditors over the next few days .

[20930008]

Sharon , based in Farrell , Pa. , filed for protection from creditors under the federal Bankruptcy Code in April 1987 .

[20930009]

The company had been one of the mainstays of Miami Beach financier Victor Posner 's empire .

[20930010]

Mr. Posner resigned as president and chief executive officer of Sharon in April 1988 .

[20930011]

He remains chairman , but wields little power at the company .

[20930012]

Quantum Fund , based in New York , is a \$ 2.1 billion investment fund managed by Soros Fund Management .

[20930013]

Quantum is Sharon 's largest unsecured creditor .

[20930014]

The Castle Harlan group includes Walter Sieckman , former chief operating officer of Sharon , and Wolfgang Jansen , former executive vice president .

[20930015]

Executives at Sharon declined to comment on the proposal .

[20930016]

The company 's trustee , F.E. Agnew , was unavailable for comment .