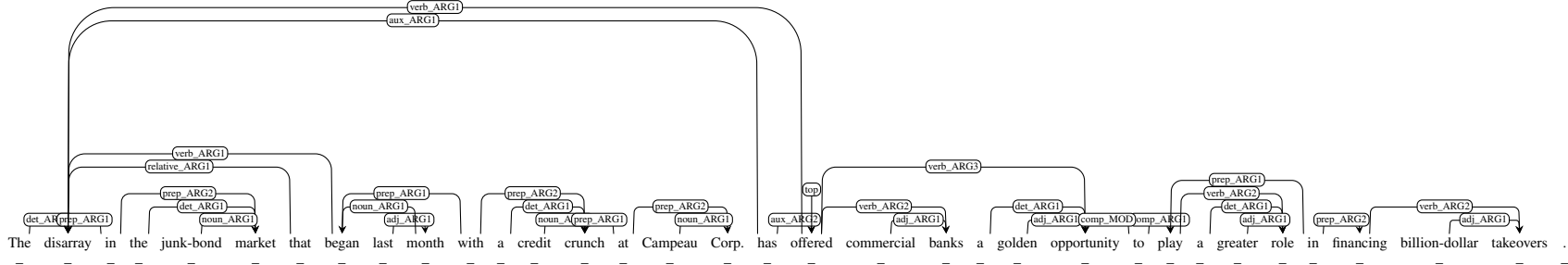
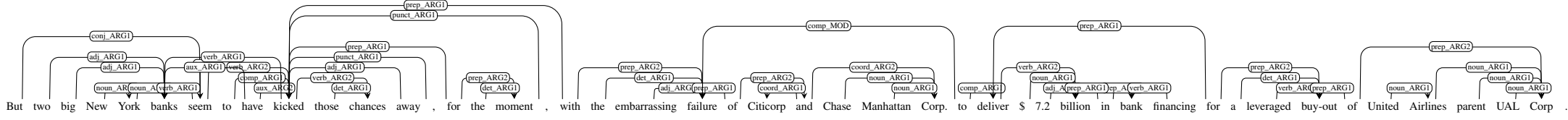


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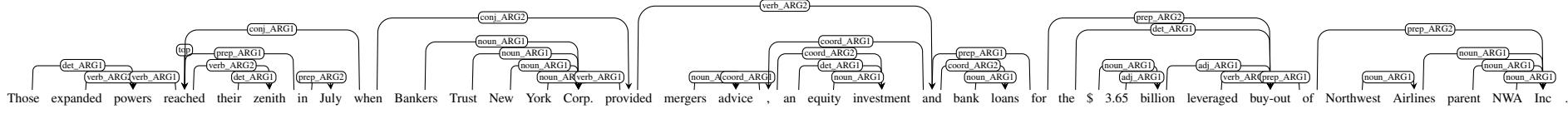
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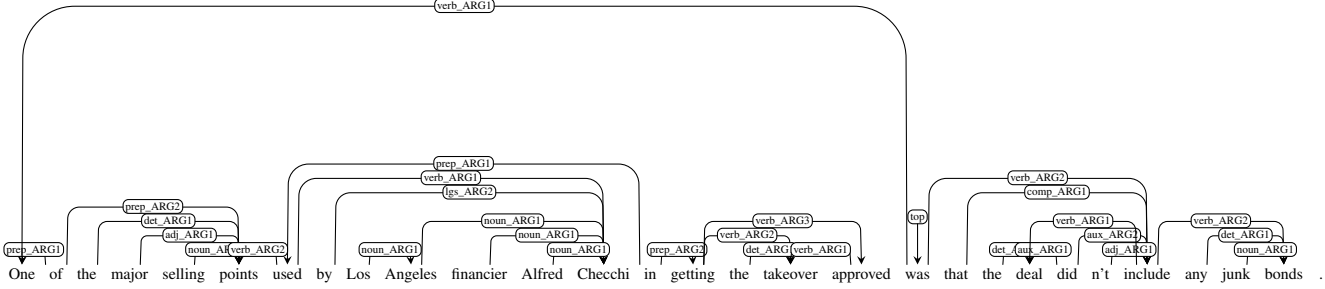
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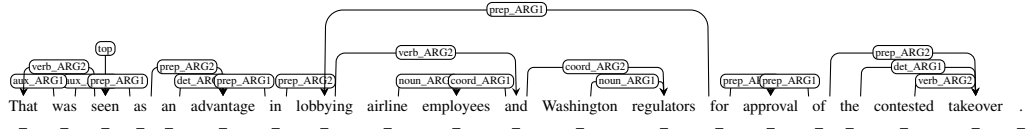
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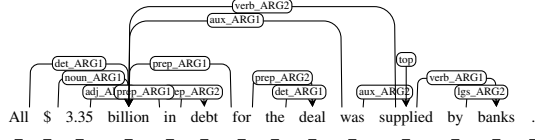
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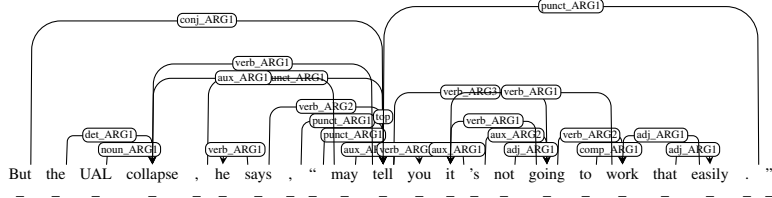
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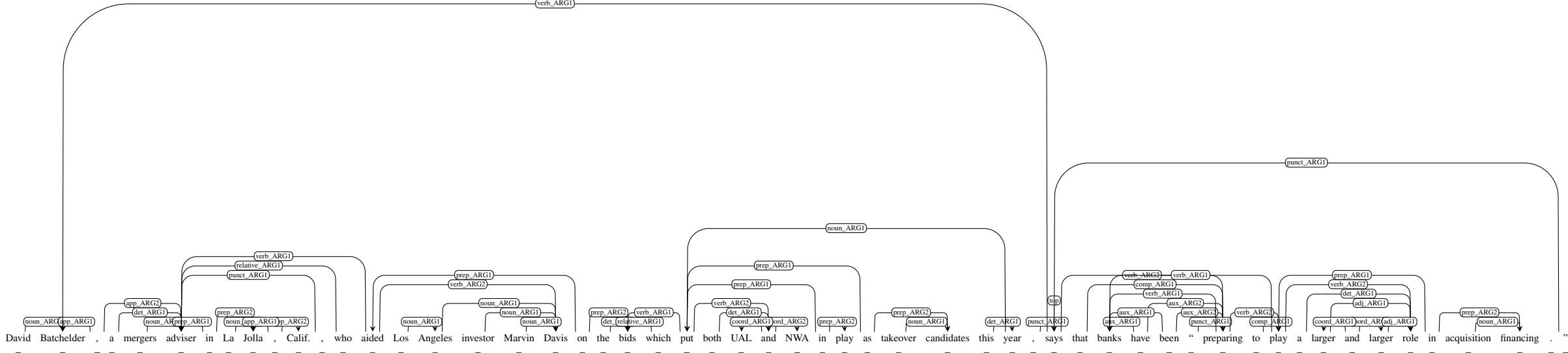
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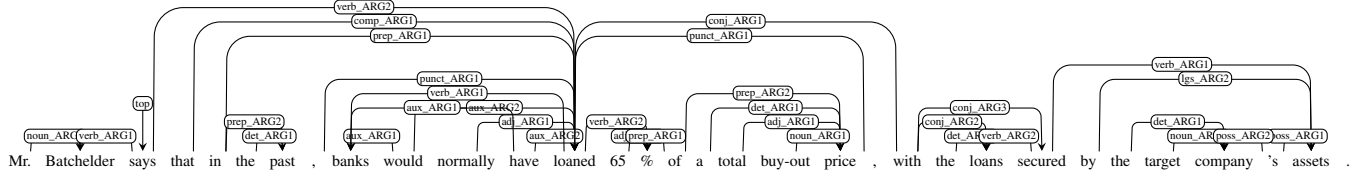
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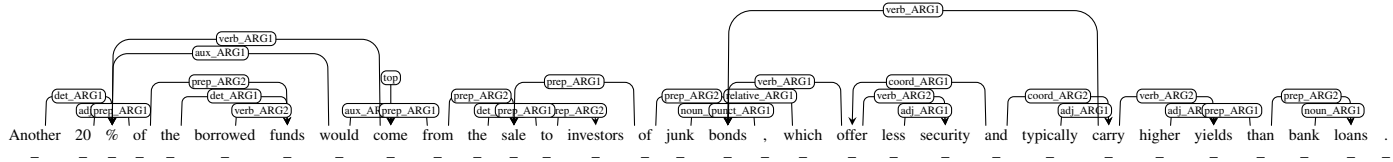
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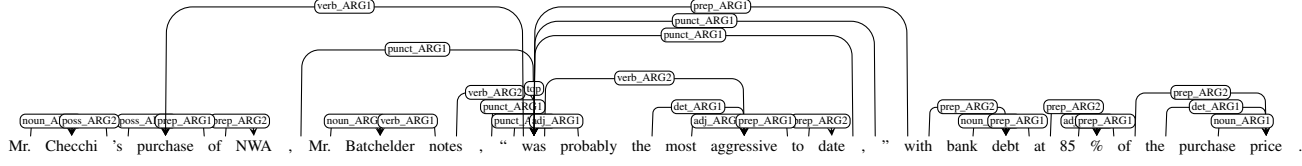
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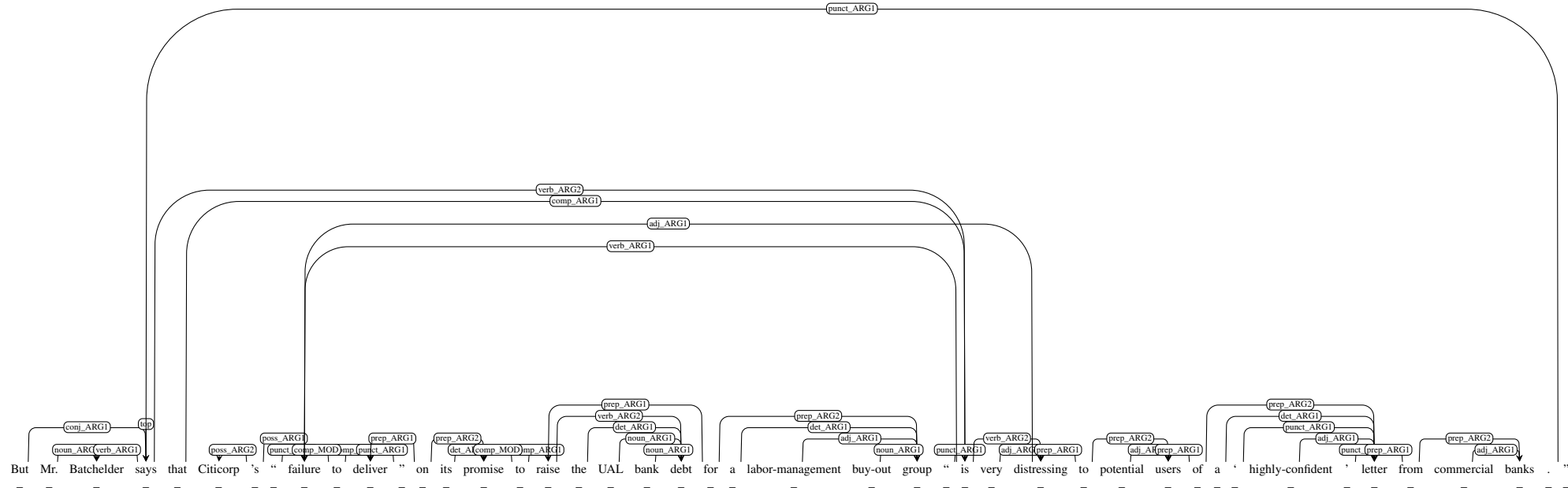
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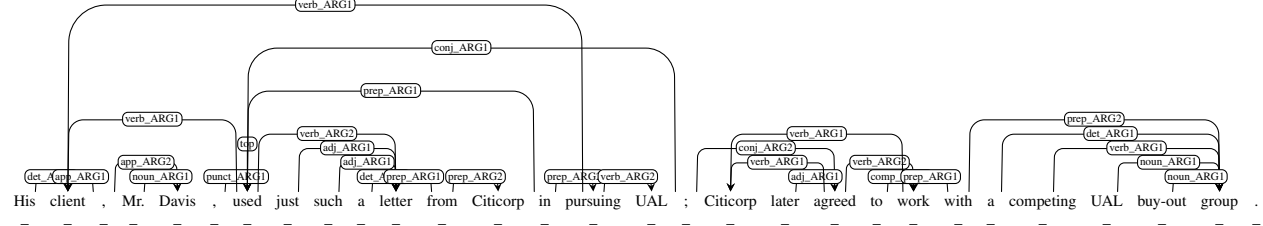
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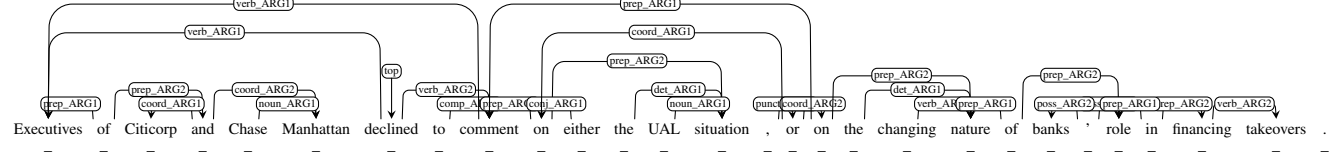
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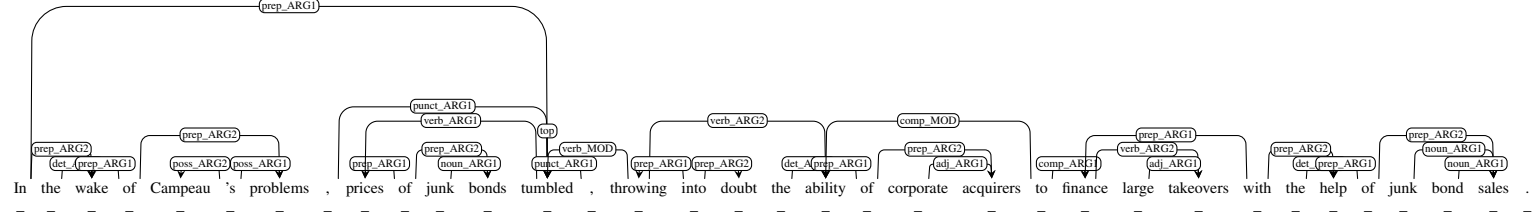
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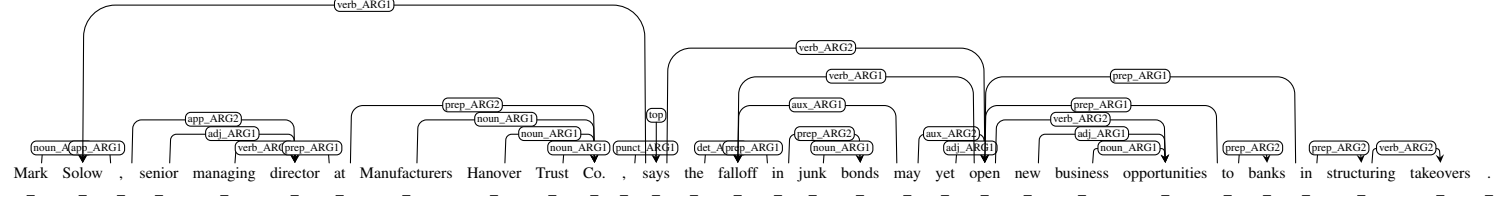
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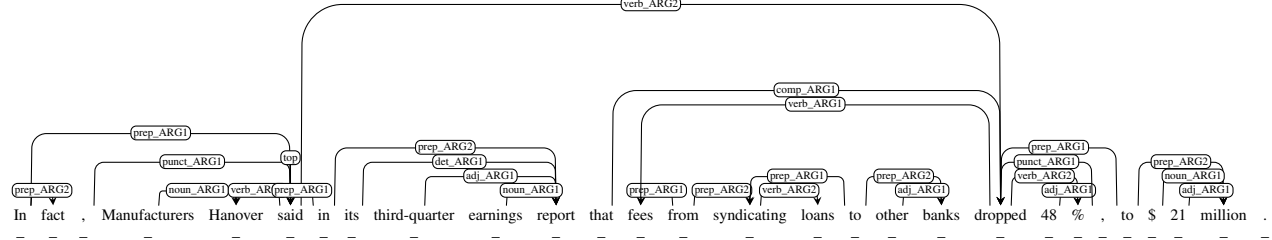
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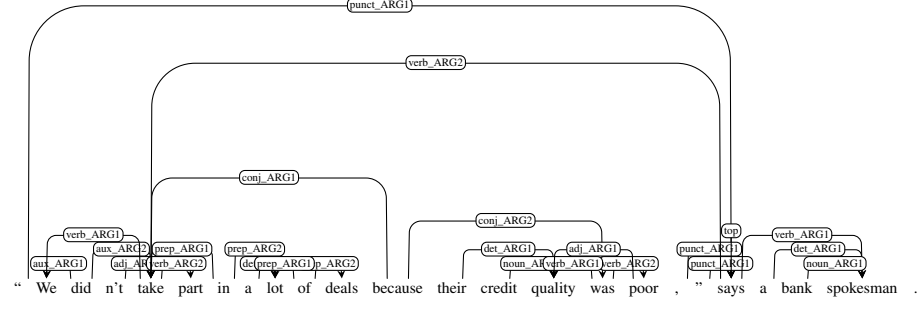
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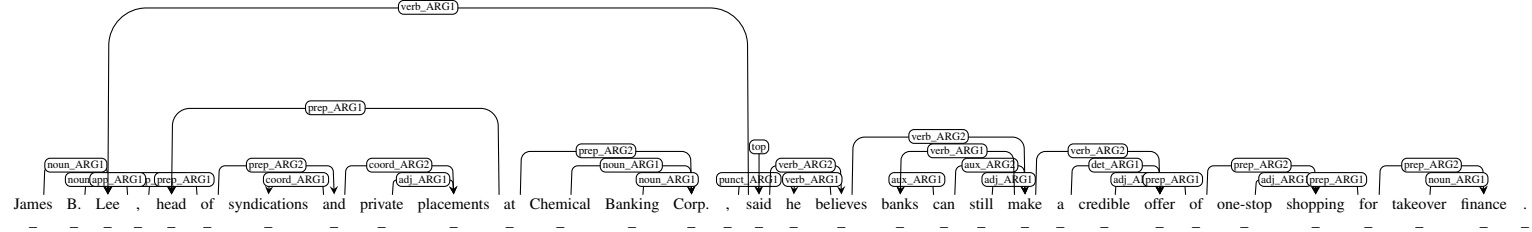
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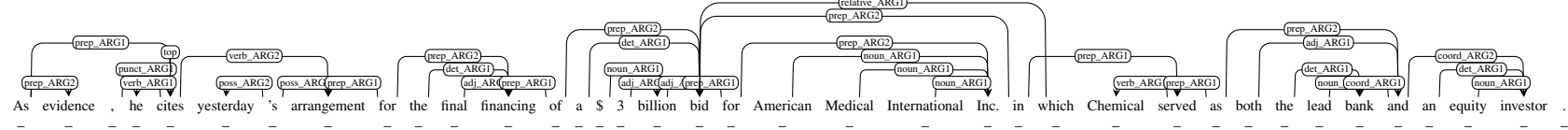
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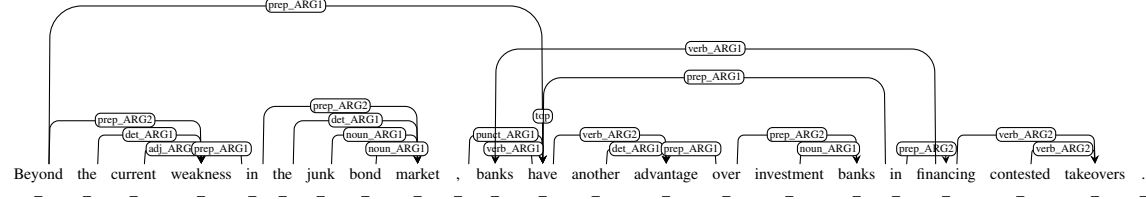
[21619022]



[21619023]



[21619024]



[21619025]

Arthur Fleischer Jr. , a takeover lawyer at Fried Frank Harris Shriver & Jacobson , notes that " a political and emotional bias " has developed against junk bonds .

One hostile bidder who deliberately avoided using junk bonds was Paramount Communications Inc. in its initial offer to acquire Time Inc. for \$ 10.7 billion , or \$ 175 a share .

A Paramount spokesman says that decision was based on the financial , not political , drawbacks of junk bonds .

But some observers believe Paramount Chairman Martin Davis wanted to avoid the possible taint of being perceived as a corporate raider in his controversial bid for Time .

In the end , Mr. Davis used junk bonds so that he could raise Paramount 's bid to \$ 200 a share .

Time eluded Paramount by acquiring Warner Communications Inc .

The success of the NWA financing , and the failure of the UAL deal , also seem to highlight the important new role in takeover financing being played by Japanese banks .

Japanese banks accounted for 50 % of the NWA bank debt , according to a report by Transportation Secretary Samuel Skinner .

But it was broad-scale rejection by Japanese banks that helped seal the fate of the attempt to buy UAL .

Citicorp and Chase are attempting to put together a new , lower bid .

Takanori Mizuno , chief economist of the Institute for Financial Affairs Inc. , a Tokyo research center on finance and economics , says , " The junk bond market became very jittery , and there 's a fear of a coming recession and the possible bankruptcy of LBO companies .