

Document 0977

[20977002]

The filing , made yesterday in U.S. Bankruptcy Court here , follows an agreement by L.J. Hooker Corp. , Merksamer 's owner . to sell the chain to management for an undisclosed price .

[20977003]

GE Capital Corp. , a financial services subsidiary of General Electric Co. , is providing Merksamer management with \$ 15 million in financing .

[20977004]

L.J. Hooker , based in Atlanta , filed for Chapter 11 protection in August and has also announced its intention to sell its B. Altman & Co. department store chain .

[20977006]

L.J. Hooker 's planned sale of Merksamer is subject to approval by Judge Tina Brozman of U.S. Bankruptcy Court .

[20977007]

Rumors to the effect that the Merksamer chain would file for Chapter 11 arose last week in the jewelry industry .

[20977008]

At that time , Sam Merksamer , president of the chain , angrily denied that his company was about to file .

[20977009]

Mr. Merksamer is leading the buy-out .

[20977010]

According to executives close to the situation , Merksamer filed for Chapter 11 to speed the sale of the chain .

[20977011]

One executive said an accord signed by the unsecured creditors of L.J. Hooker Corp. had frozen in place all of L.J. Hooker 's assets .

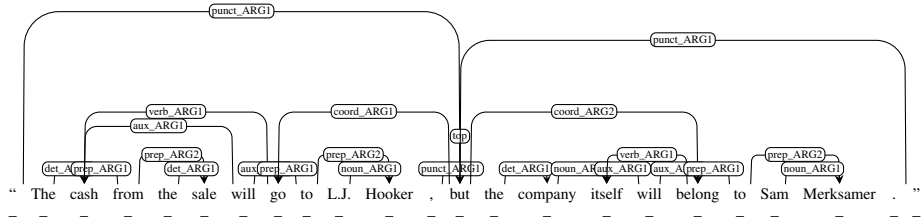
[20977012]

The Merksamer bankruptcy-law filing appears to supersede that agreement .

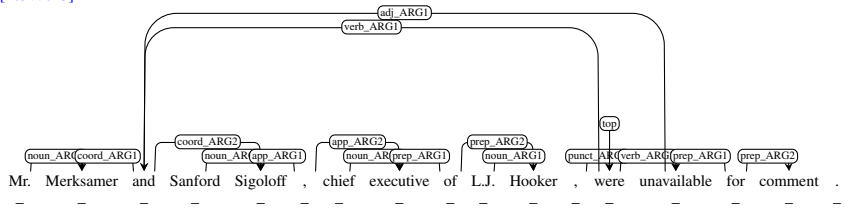
[20977013]

" By filing for Chapter 11 , the Merksamer chain will only need approval from a bankruptcy judge for the sale , not the hundreds of unsecured creditors . " said this executive .

[20977014]



[20977015]



[20977017]

