

[20179001]



While many problems would attend a restructuring of Columbia , investors say Mr. Spiegel is mulling such a plan to mitigate Columbia 's junk problems .

[20179014]

Indeed , Columbia executives recently told reporters they were interested in creating a separate unit to hold Columbia 's junk bonds and perhaps do merchant banking .

[20179015]

Columbia wo n't comment on all the speculation .

[20179016]

But like other thrifts , it 's expected to seek regulators ' consent to create a distinct junk-bond entity .

[20179017]

Plans to do this are due to be filed in a week or so .

[20179018]

New rules force thrifts to write down their junk to market value , then sell the bonds over five years .

[20179019]

That 's why Columbia just wrote off \$ 130 million of its junk and reserved \$ 227 million for future junk losses .

[20179021]

Columbia , a longtime Drexel client , wo n't provide current data on its junk .

[20179022]

But its 17 big junk holdings at year end showed only a few bonds that have been really battered .

[20179024]

Possibly offsetting that , Columbia recently estimated it has unrealized gains on publicly traded equity investments of more than \$ 70 million .

[20179025]

It also hopes for ultimate gains of as much as \$ 300 million on equity investments in buy-outs and restructurings .

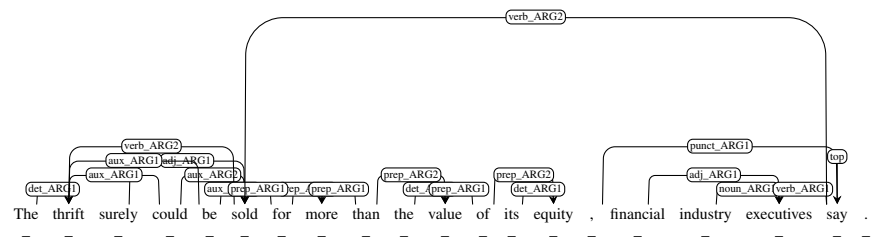
[20179027]

But Columbia 's good bank would be a regulated thrift , while the bad bank would be a private investment company , holding some of Columbia 's junk bonds , real estate and equity investments .

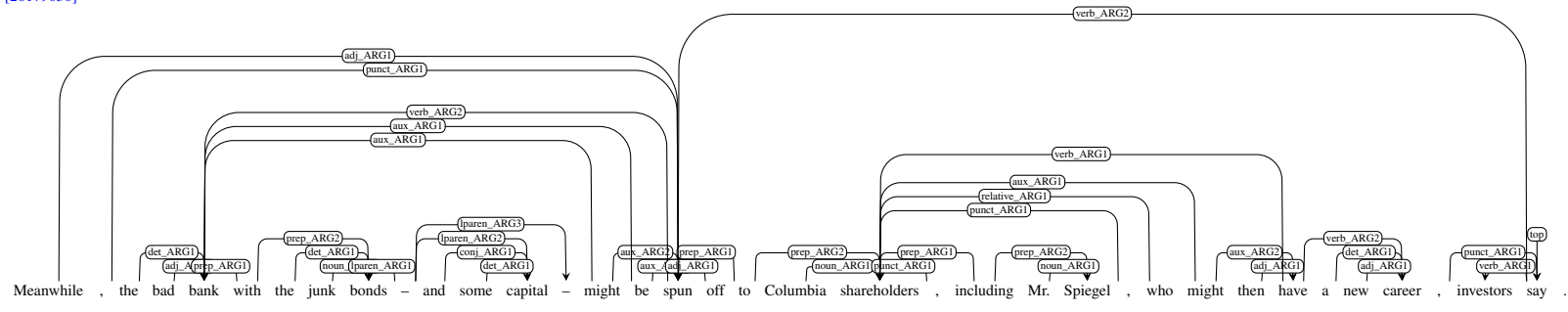
[20179028]

Some think Columbia 's thrift , which now is seeking a new chief operating officer , might be capitalized at , say \$ 300 million , and shopped to a commercial bank that wants a California presence .

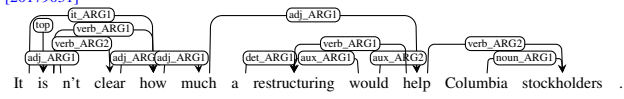
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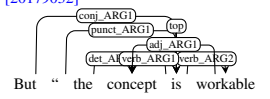
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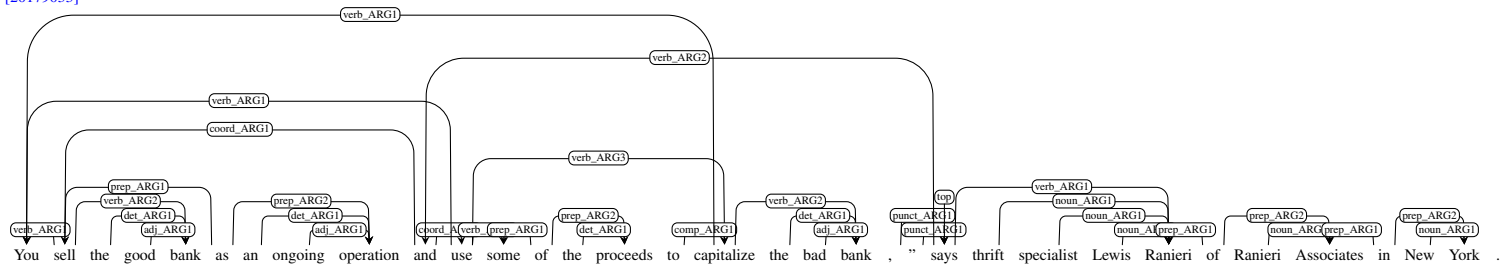
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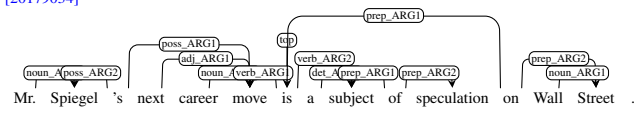
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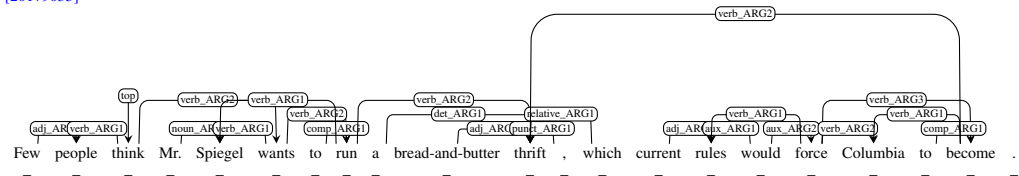
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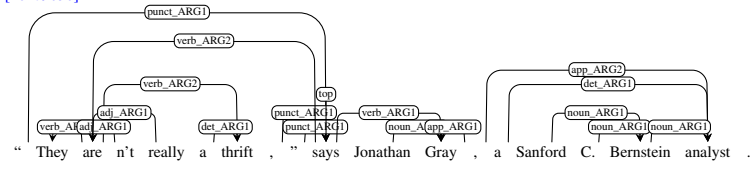
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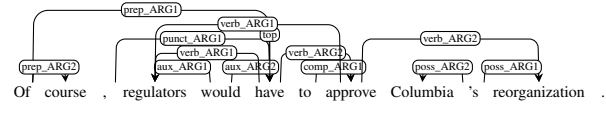
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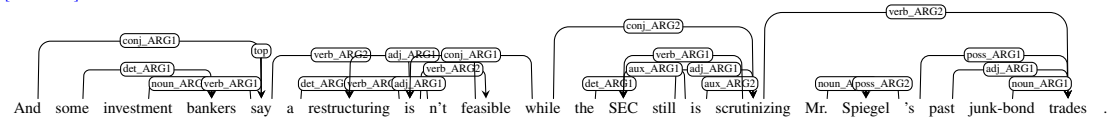
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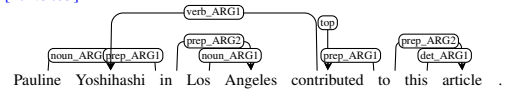
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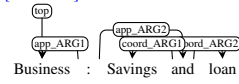
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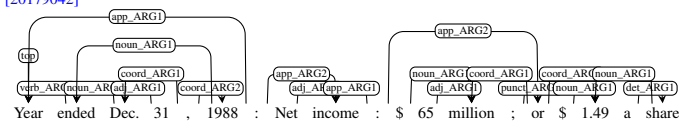
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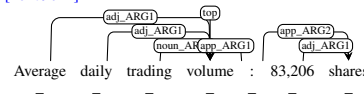
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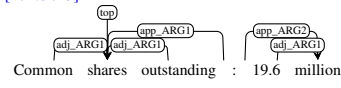
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[20179044]



[20179045]



[20179046]

