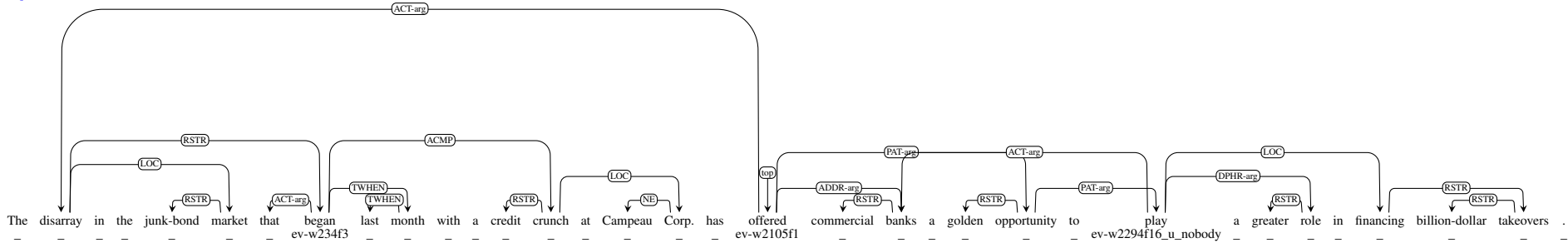
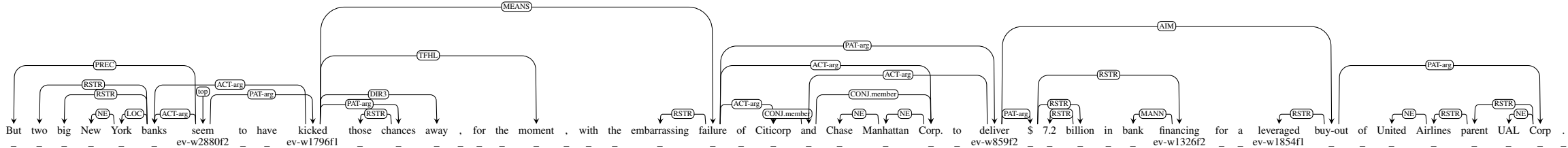


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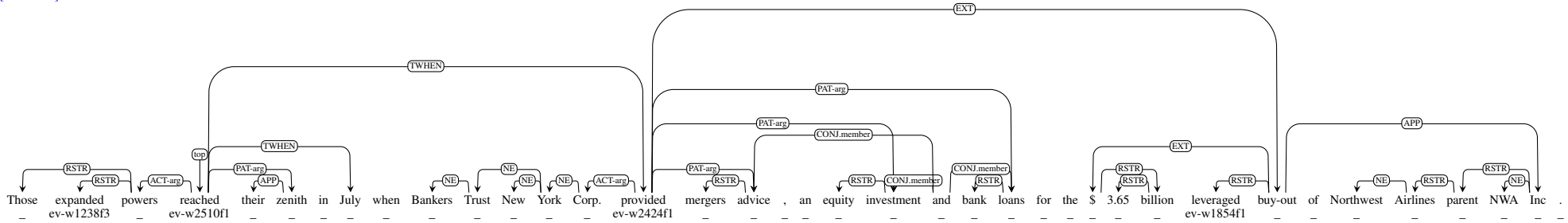
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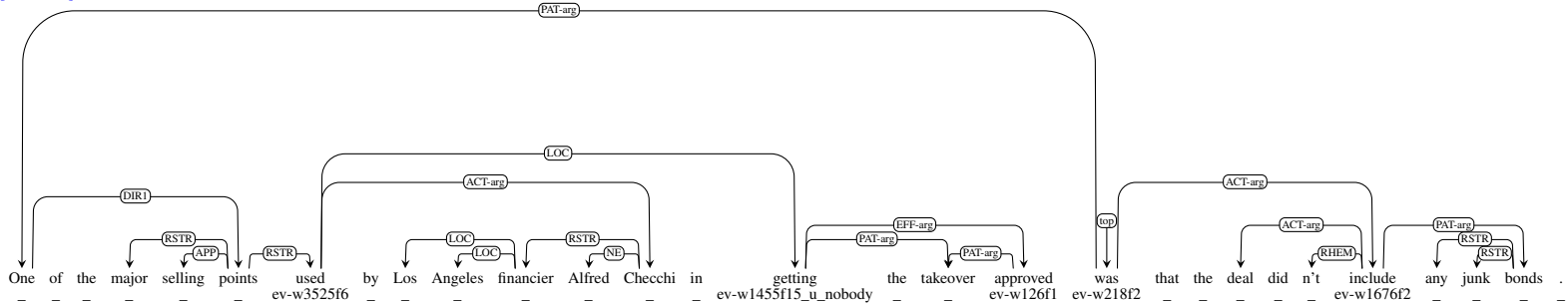
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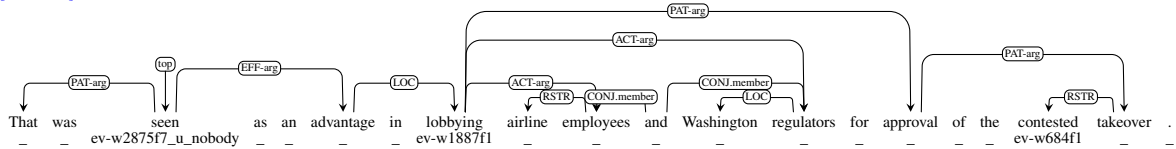
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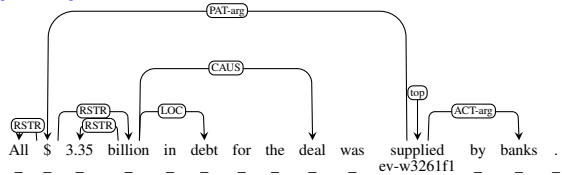
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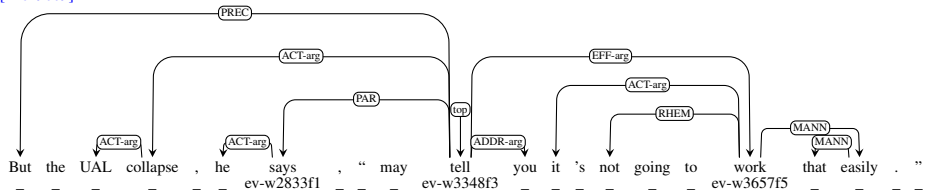
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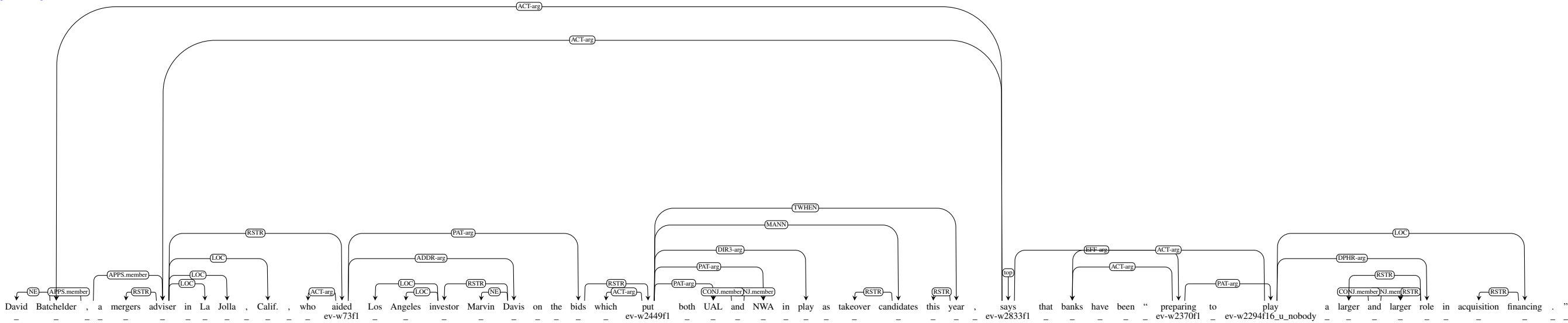
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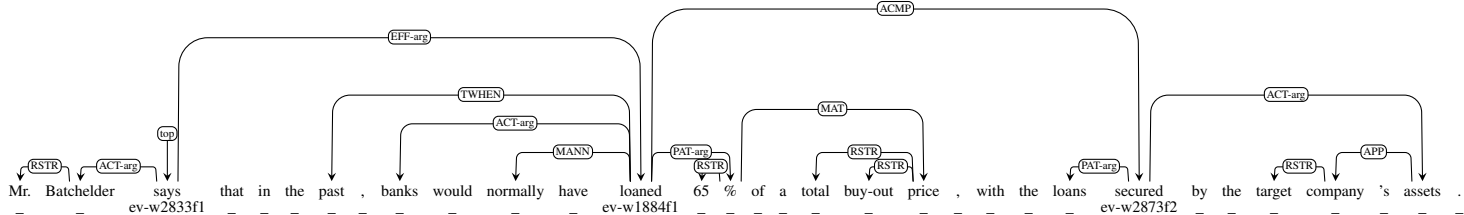
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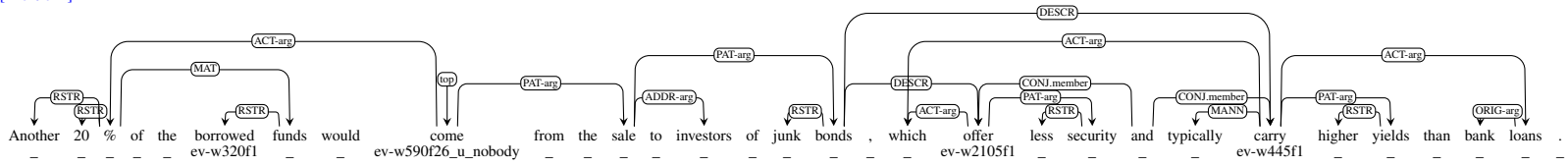
[21619010]



[21619011]



[21619012]



[21619013]

Mr. Checchi 's purchase of NWA , Mr. Batchelder notes , " was probably the most aggressive to date , " with bank debt at 85 % of the purchase price .

[21619014]

But Mr. Batchelder says that Citicorp 's " failure to deliver " on its promise to raise the UAL bank debt for a labor-management buy-out group " is very distressing to potential users of a ' highly-confident ' letter from commercial banks . "

[21619015]

His client , Mr. Davis , used just such a letter from Citicorp in pursuing UAL ; Citicorp later agreed to work with a competing UAL buy-out group .

[21619016]

Executives of Citicorp and Chase Manhattan declined to comment on either the UAL situation , or on the changing nature of banks ' role in financing takeovers .

[21619017]

In the wake of Campeau 's problems , prices of junk bonds tumbled , throwing into doubt the ability of corporate acquirers to finance large takeovers with the help of junk bond sales .

[21619018]

Mark Solow , senior managing director at Manufacturers Hanover Trust Co. , says the falloff in junk bonds may yet open new business opportunities to banks in structuring takeovers .

[21619020]

In fact , Manufacturers Hanover said in its third-quarter earnings report that fees from syndicating loans to other banks dropped 48 % , to \$ 21 million .

[21619021]

" We did n't take part in a lot of deals because their credit quality was poor , " ev-w2833f1 a bank spokesman .

[21619022]

James B. Lee , head of syndications and private placements at Chemical Banking Corp. , said he believes banks can still make a credible offer of one-stop shopping for takeover finance .

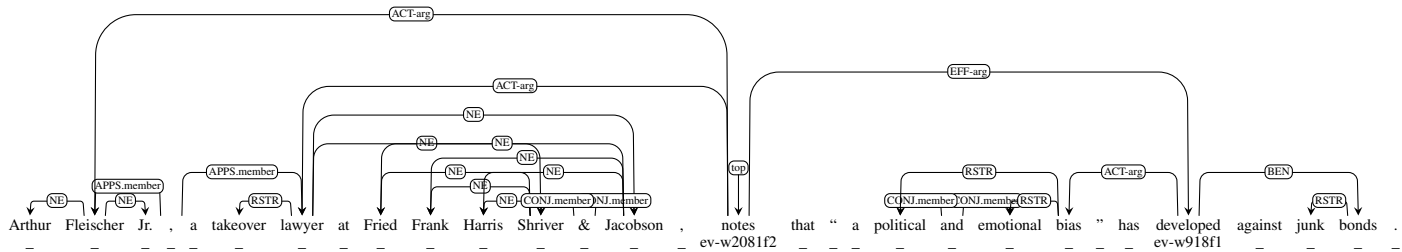
[21619023]

As evidence , he cites yesterday 's arrangement for the final financing of a \$ 3 billion bid for American Medical International Inc. in which Chemical served as both the lead bank and an equity investor .

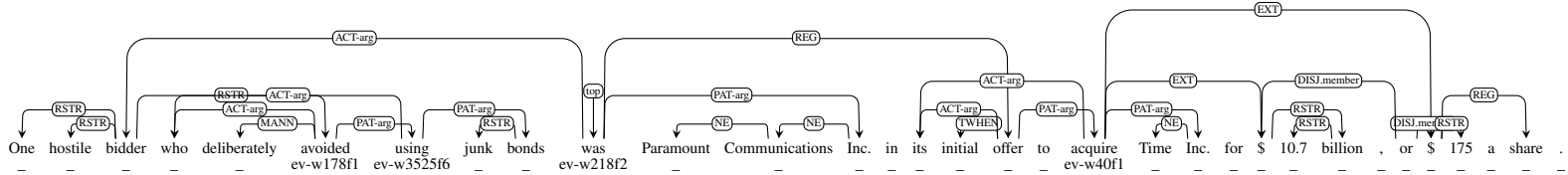
[21619024]

Beyond the current weakness in the junk bond market , banks have another advantage over investment banks in financing contested takeovers .

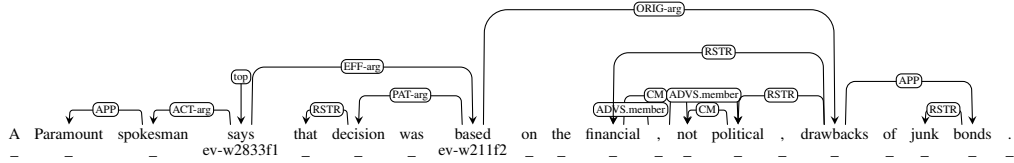
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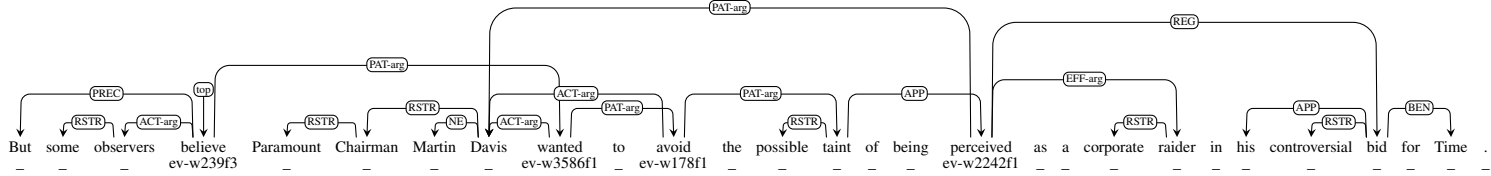
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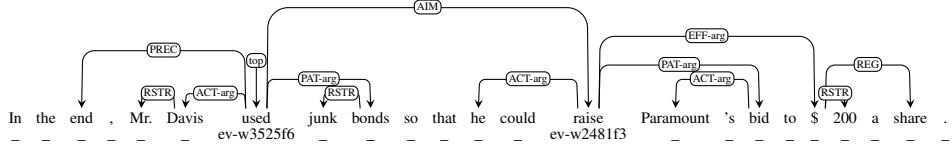
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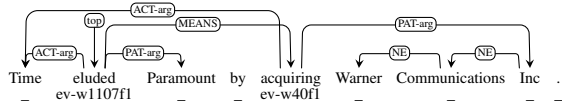
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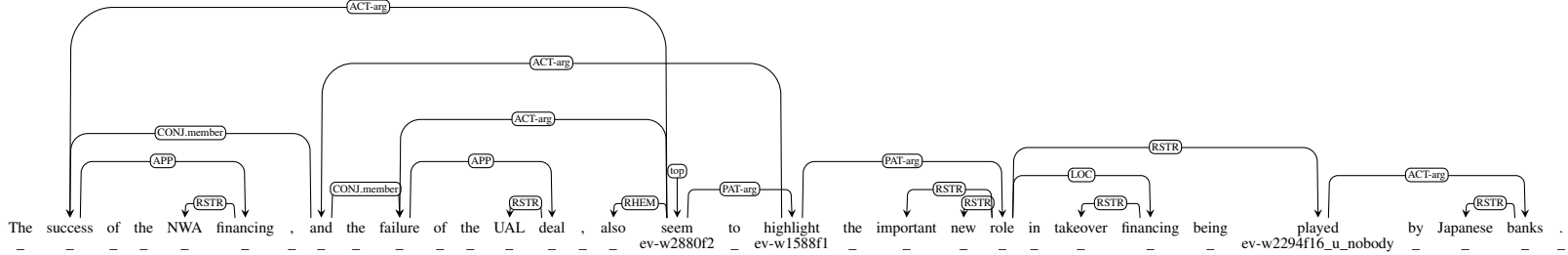
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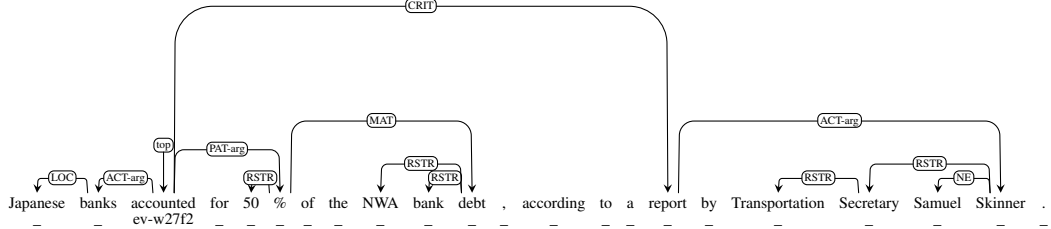
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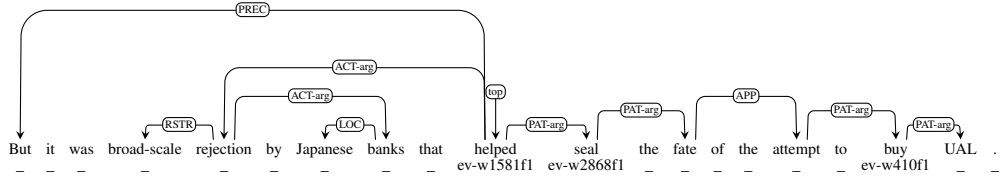
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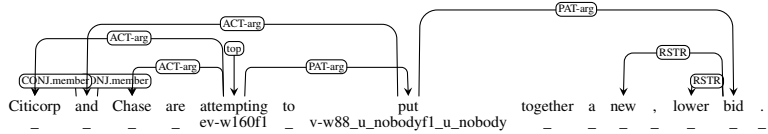
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[21619036]

