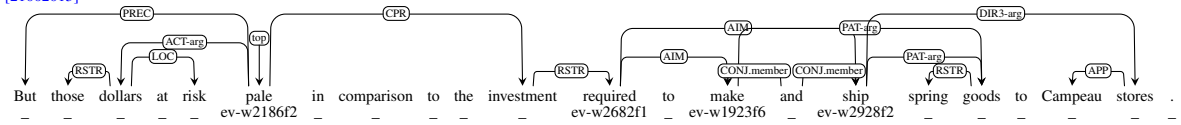


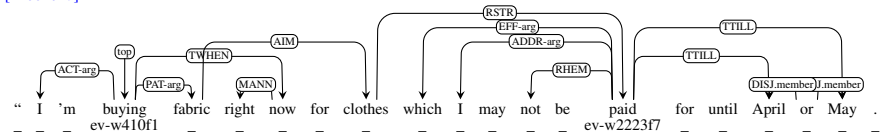
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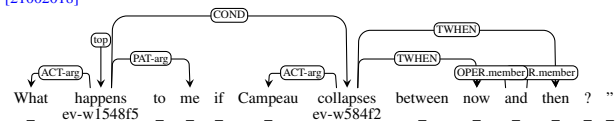
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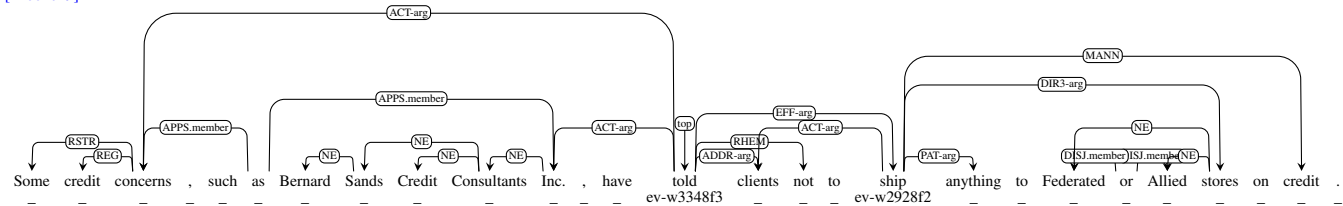
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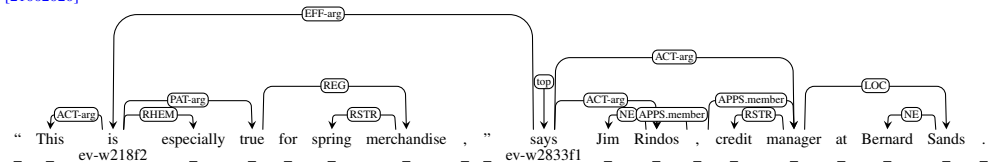
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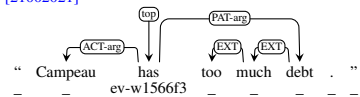
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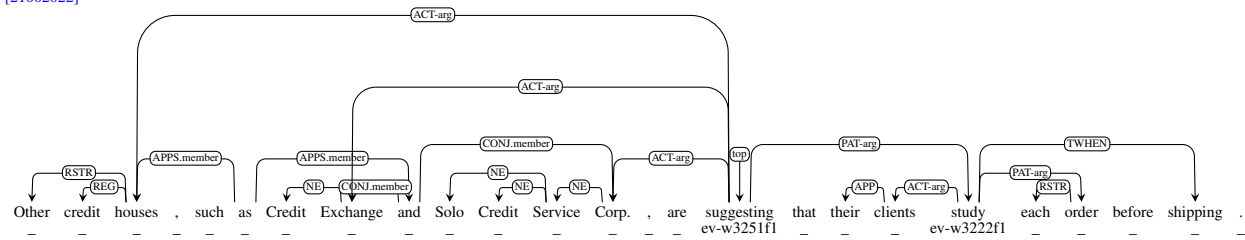
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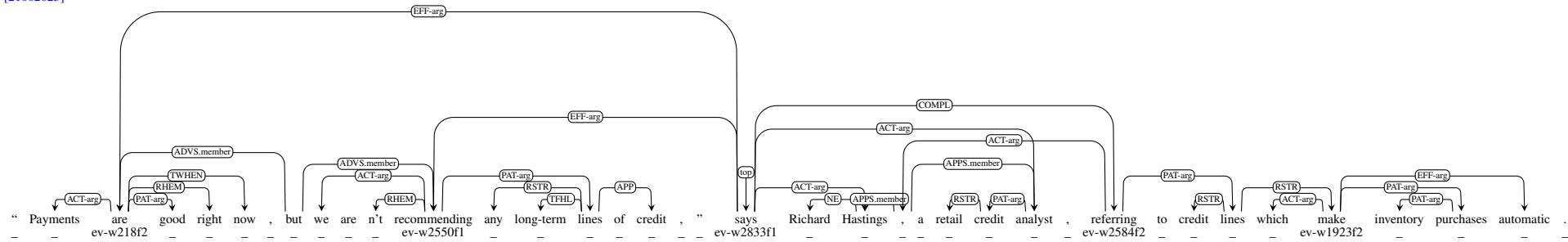
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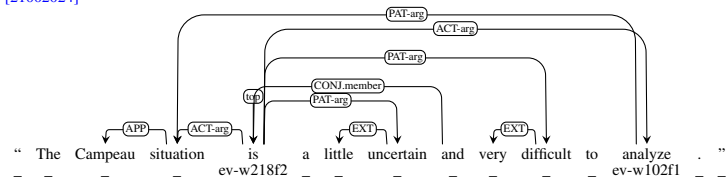
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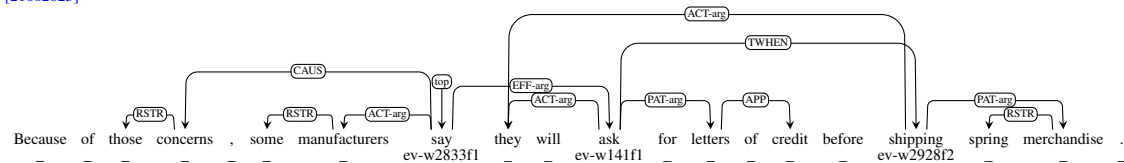
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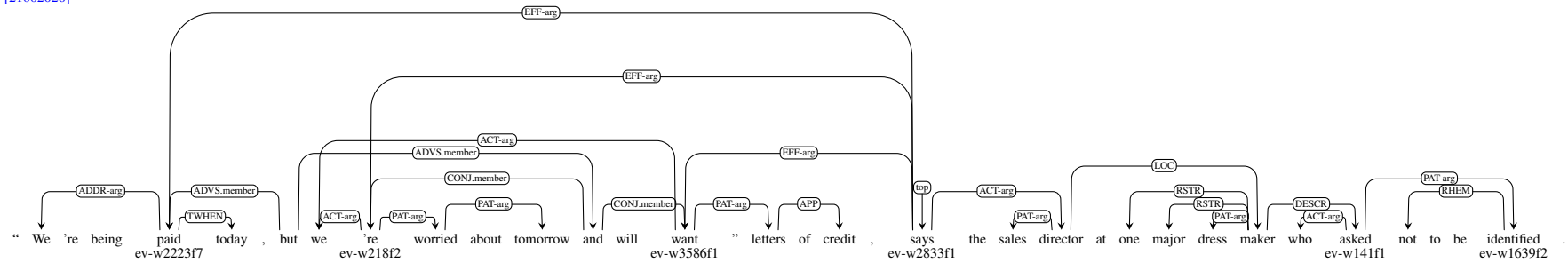
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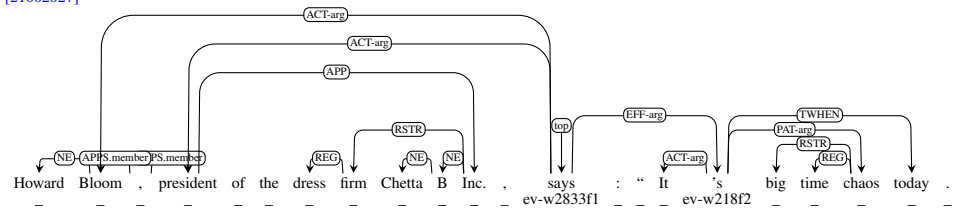
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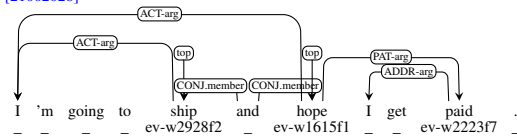
[21002026]



[21002027]



[21002028]



[21002030]



The company has stated in recently filed financial documents that it anticipates refinancing its March 1990 payments .

[21002044]

In recent months , numerous retailers have filed for Chapter 11 bankruptcy protection , including Bonwit Teller , B. Altman & Co. , and Miller & Rhoads Inc .

[21002045]

Those filings , plus the expected sale of a number of financially healthy chains , such as Saks Fifth Avenue , Marshall Field 's and Bloomingdale 's , have added to the anxiety .

[21002046]

" Right now , Federated owes us a considerable amount of money , " says Morris Marmalstein , president of David Warren Enterprises , a major dress manufacturer .

[21002047]

" We expect they will be current with their debts by the end of the week , but we are considering asking them for letters of credit before we take more orders . "

[21002048]

Mr. Marmalstein adds that his company is now holding some goods in anticipation of being paid in full .

[21002050]

" Business has never been this tough before .

[21002052]

Other manufacturers are equally cautious .

[21002053]

Bud Konheim , president of Nicole Miller Inc. , says his company is now shipping only to the flagship stores of the Federated and Allied chains .

[21002054]

This limits his financial exposure , he says .

[21002055]

" The branches are just warmed over , empty halls , " says Mr. Konheim .

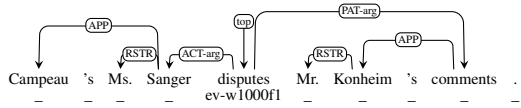
[21002056]

" Why should I be part of that problem ?

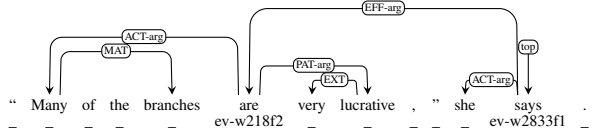
[21002057]

I got limited production , and I ca n't give it to underperformers . "

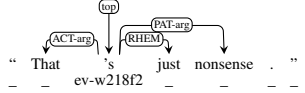
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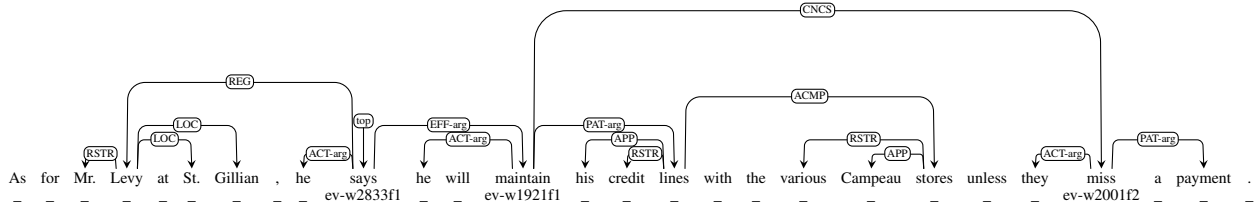
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[21002060]



[21002061]



[21002062]

