

BLOOMBERG NEWS

By Bill Rochelle - January 4, 2011

Creditors of Liquidated Friedman's Recovering 33%

Unsecured creditors of liquidated jewelry retailer Friedman's Inc. are expected to recover more than 33 percent, according to Lee E. Buchwald, the trustee for the liquidating trust created under the Chapter 11 plan confirmed in April 2009.

Buchwald said that unsecured creditors of affiliate Crescent Jewelers Inc. received 19.5 percent. Distributions to Crescent creditors are completed, Buchwald said. Friedman's creditors have recovered 32.3 percent in three distributions, exceeding the 31.6 percent expected when the plan was confirmed.

Buchwald expects a final distribution to Friedman's creditors bringing the total to 33 percent.

The companies conducted going-out-of-business sales at 377 stores, allowing full repayment of \$92.5 million in senior and junior secured loans. They sold 78 stores and inventory for \$14.3 million to Whitehall Jewelers Inc., a 373-store specialty jewelry retailer that itself filed under Chapter 11 in June 2008 and liquidated.

The Chapter 11 cases were the second for both Friedman's and Crescent. Creditors filed an involuntary Chapter 7 petition against Friedman's on Jan. 22, 2008. Three days later Friedman's consented to reorganization in Chapter 11 and simultaneously put affiliate Crescent into Chapter 11, also in Delaware.

The case is In re Friedman's Inc., 08-10161, U.S. Bankruptcy Court, District of Delaware (Wilmington).