

BLOOMBERG NEWS

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Retailer Friedman's Has Initial Distribution on Plan

Jewelry retailers Friedman's Inc. and affiliate Crescent Jewelers Inc. confirmed their liquidating Chapter 11 plan in April and this month Friedman's unsecured creditors received an initial distribution of 28.3 percent, compared with the prediction of 22.6 percent in the disclosure statement.

Lee E. Buchwald, the sole director of both companies who was charged with managing the conclusion of the cases, predicts Friedman's creditors ultimately will recover 34 percent.

The unsecured creditors of Crescent initially received 18.6 percent and are predicted eventually to receive 19 percent.

The companies conducted going-out-of-business sales at 377 stores that fully repaid \$92.5 million in senior and junior secured loans. They sold 78 stores and inventory for \$14.3 million to Whitehall Jewelers Inc., the 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 a 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).

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