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FRIEDMAN'S INC: Liquidating Trust Makes Third Distribution

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Buchwald Capital Advisors LLC, liquidating trustee for the Friedman's Liquidating Trust, reports that a third distribution was made to creditors holding allowed general unsecured claims on December 1, 2010. The initial distribution was 28.3%, the second distribution was 3%, and with this third 1% distribution, creditors have now recovered 32.3% of their claims. As a result, creditors of Friedman's have now received more than the aggregate 31.6% distribution that the Debtors had projected in the Disclosure Statement. At least one more distribution is expected after resolution of outstanding issues and litigation claims, and Lee E. Buchwald (President of Buchwald Capital Advisors LLC) expects that the aggregate distribution for Friedman's creditors will surpass 33%.

Buchwald Capital Advisors LLC, liquidating trustee for the Crescent Liquidating Trust, is also pleased to report that a second and final distribution was made to creditors holding allowed general unsecured claims in October 2010. Holders of Allowed Class 4 General Unsecured Claim against Crescent previously received an Initial Distribution under the Plan in an amount equal to 18.6% of their Allowed Claims. The Final Distribution equaled 0.9% of Allowed Claims. As a result, Crescent creditors received distributions totaling 19.5%. A Final decree closing the Crescent bankruptcy case and the

Trust was entered by the Court on December 28, 2010.

At a confirmation hearing conducted on April 20, 2009, Friedman's Inc. and Crescent Jewelers attained confirmation of their liquidating plan in their Chapter 11 cases, 08-10161 (Delaware). The Official Creditors' Committee was the co-proponent of the joint plan. Creditors voted overwhelmingly to accept the plan, with both Friedman's and its subsidiary Crescent Jewelers receiving approximately 99% acceptances by dollar amount. The confirmation order was entered on April 22, 2009.

The effective date of the plan occurred on June 8, 2009. At that time, the Friedman's Liquidating Trust and the Crescent Liquidating Trust were established for each Debtor to handle distributions, the claims reconciliation process, prosecute preference actions and pursue other potential recoveries. The liquidating trustee for each trust is Buchwald Capital Advisors LLC. Lee E. Buchwald, the President of Buchwald Capital Advisors LLC, became the sole Director and took control of the Debtors in May 2008. Mr. Buchwald also served as the Debtors' President and CEO during their chapter 11 case.

The plan provided for all too rare significant distributions to be made to general unsecured creditors. Significant distributions to creditors were not always anticipated. When the Debtors' auction process broke down in April 2008, less than three months after these cases had been commenced, administrative insolvency, which would have left nothing for general unsecured creditors, seemed inevitable. But Friedman's and Crescent abandoned the auction process and liquidated themselves at the urging of the Creditors' Committee, and their choice has been vindicated.

Mr. Buchwald attributes the unanticipated significant recoveries to a number of factors, including (1) the efforts of Moses & Singer, counsel to the Creditors' Committee, in negotiating a global settlement with Harbinger, the Debtors' private equity sponsor; (2) the recommendation of Consensus Advisors, financial advisor to the Creditors' Committee, to pursue a self liquidation instead of selling the assets to a liquidator when the auction process broke down; (3) the successful liquidation of assets under the supervision of Mr. Buchwald, Steve Moore, the Debtors' then-CRO, and a dedicated management team; and (4) the efforts of Stevens & Lee, Debtors' counsel brought in by Mr. Buchwald, who were instrumental in guiding the Debtors during the critical phases of the asset disposition and plan negotiation process, and who achieved better than anticipated results in reducing claims and recovering assets.

Mr. Buchwald urges creditors to monitor the websites established by the trusts, <http://www.friedmans-trust.com> and <http://www.crescent-trust.com>, to obtain updates and access to critical documents.

About Friedman's Inc.

Addison, Texas-based Friedman's Inc. -- <http://www.friedmans.com/> -- and -- <http://www.crescentonline.com/> -- comprised a leading specialty jewelry retail company. Friedman's operated 388 stores in 20 states with over 2,890 employees while Crescent Jewelers operated 85 stores in 3 states with over 600 employees.

Friedman's and Crescent Jewelers filed for Chapter 11 protection on January 28, 2008 (Bankr. D. Del. Case Nos. 08-10161 and 08-10179).

David M. Green, Esq., Jocelyn Keynes, Esq., and Nicholas

F. Kajon, Esq., at Stevens & Lee, P.C., in New York; and John D. Demmy, Esq., at Stevens & Lee, P.C., in Wilmington, Delaware, serve as counsel to the Debtors. The Debtors' professionals also include Rothschild, Inc., as investment banker and financial advisor; Retail Consulting Services, Inc. as real estate and lease consultants; ASK Financial as special counsel to review, analyze, and prosecute preference claims; Grant Thornton LLP as Tax Advisors; and KZC Services, LLC's Salvatore LoBiondo, Jr., as Chief Restructuring Officer, and Charles Carnaval as Director of Restructuring.

The Official Committee of Unsecured Creditors appointed in the Debtors' cases is represented by Christopher J. Caruso, Esq., Alan Kolod, Esq., Lawrence L. Ginsburg, Esq., at Moses & Singer LLP in New York; and Charlene D. Davis, Esq., at Bayard, P.A., in Wilmington, Delaware. The Committee also retained Consensus Advisors as its financial advisors.

On April 10, 2008, the Court approved the sale to Whitehall Jewelers, Inc., and a joint venture led by Great American Group LLC to sell to Whitehall the inventory and related property at 78 of the Debtors' stores, and to assume and assign to Whitehall the leases with respect to those 78 stores. On June 30, 2008, the liquidation of the balance of the Debtors' assets through store closing sales were concluded.

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