

Robert Campeau's empire nears bankruptcy

Business Page



Diane Maley
Your Business
Thomson News Service

kiss of death. The company responded with shock and anger, but it has not been able to dispel the uncertainty. On Wednesday, in a filing with the U.S. Securities and Exchange Commission, Campeau Corp. admitted that if it does not come up with some money soon, it will have to seek Chapter 11 protection.

"Bankruptcy is spelled out as a possibility given certain circumstances," a Campeau spokesman said. "The companies are going to be counting upon the co-operation of its bondholders and other lenders to see it through."

TWO CHOICES

Holders of junk bonds of Federated and Allied have been bucking an attempt by the Reichmanns, Campeau's second-largest shareholders, to restructure the company. Faced with a diminished net worth, the Reichmanns are trying to get bondholders to share the losses with shareholders.

Bondholders can either go along with the Reichmann plan or kiss their money goodbye, the

Campeau spokesman implied. "In the next 30 to 60 days, there's going to be a restructuring one way or the other," she said. One way is a voluntary one, under the Reichmann plan. "The other would be under bankruptcy protection."

Shareholders of Campeau Corp. will be hoping the Reichmanns win. They will also be wondering what the future holds for them. If Federated and Allied go into receivership, will Campeau stock be worthless?

The answer is no, but what it would be worth is impossible to say. In its filing with the SEC, Campeau is laying the facts out as they stand. True as they are, though, these facts tend to serve the interest of shareholders. To the

extent that junk bond holders take less money, Campeau shares will be worth more.

This poses a problem for people who already own Campeau stock. (Those who do not should not rush out to buy it, unless they are strong of heart and can afford to gamble.) Even if the Reichmanns succeed in

restructuring Campeau, will the shares be worth any more than they are today?

Again, this is impossible to predict. Whether it is best to sell the stock now or keep it in hopes of a happy resolution depends on one's personal financial position.

Robert Campeau's struggle for survival took a turn for the worse this week, raising again the prospect that his U.S. retail empire might be forced to seek protection under Chapter 11 of U.S. bankruptcy law.

Mr. Campeau owns Federation Department Stores and Allied Stores, making him one of the biggest retailers in the United States. Under Chapter 11, a court presides over the sale of a company's assets, if that is what it deems necessary to solve the company's financial problems.

The worst blow came from Dun and Bradstreet, a U.S. credit-rating agency. Dun and Bradstreet advised manufacturers and distributors to stop shipping goods to Federated and Allied. For troubled retailers, this can be the

Strike the right income balance

Make your money work for you during retirement with one or more of Mutual Life's retirement income options.

- Options include:
- Annuities
 - RRIFs
 - Or combinations of both

At Mutual we have all the retirement income options you'll ever need, plus the professional advice of a Mutual agent.

Call today and find out all the details.

BRIAN GOODLET
877-5129

The Mutual Group

Facing Tomorrow Together
Agent for Mutual Life of Canada/Mutual Investco Inc., two of the Mutual Group

VITEX

1-(519)-855-4795

SPECIAL!

BEST PERFORMER 8088-10

640 K RAM, 1 Floppy, 40 MB HD
Philips Monitor

\$1075.00

Call Bill Fournier at Vitex

Specializing in affordable PCs
Software and Peripherals for
home and small business use.

Computer Sales & Service

END OF THE DECADE SALE

• 286 AT IBM
Compatible • 1.2M
Floppy Drive • 640K
Memory • Parallel
101 Key Board
Battery Backed
Clock • 200W
Power Supply

\$899⁰⁰

Sale Ends Jan. 4/90

384 Guelph St.

Unit 2A

Georgetown, Ontario

873-0325



Polo

by Ralph Lauren

NOW AVAILABLE

211 Guelph Street
Georgetown 877-7361
NORTHVIEW CENTRE

OFFICE MAGIC

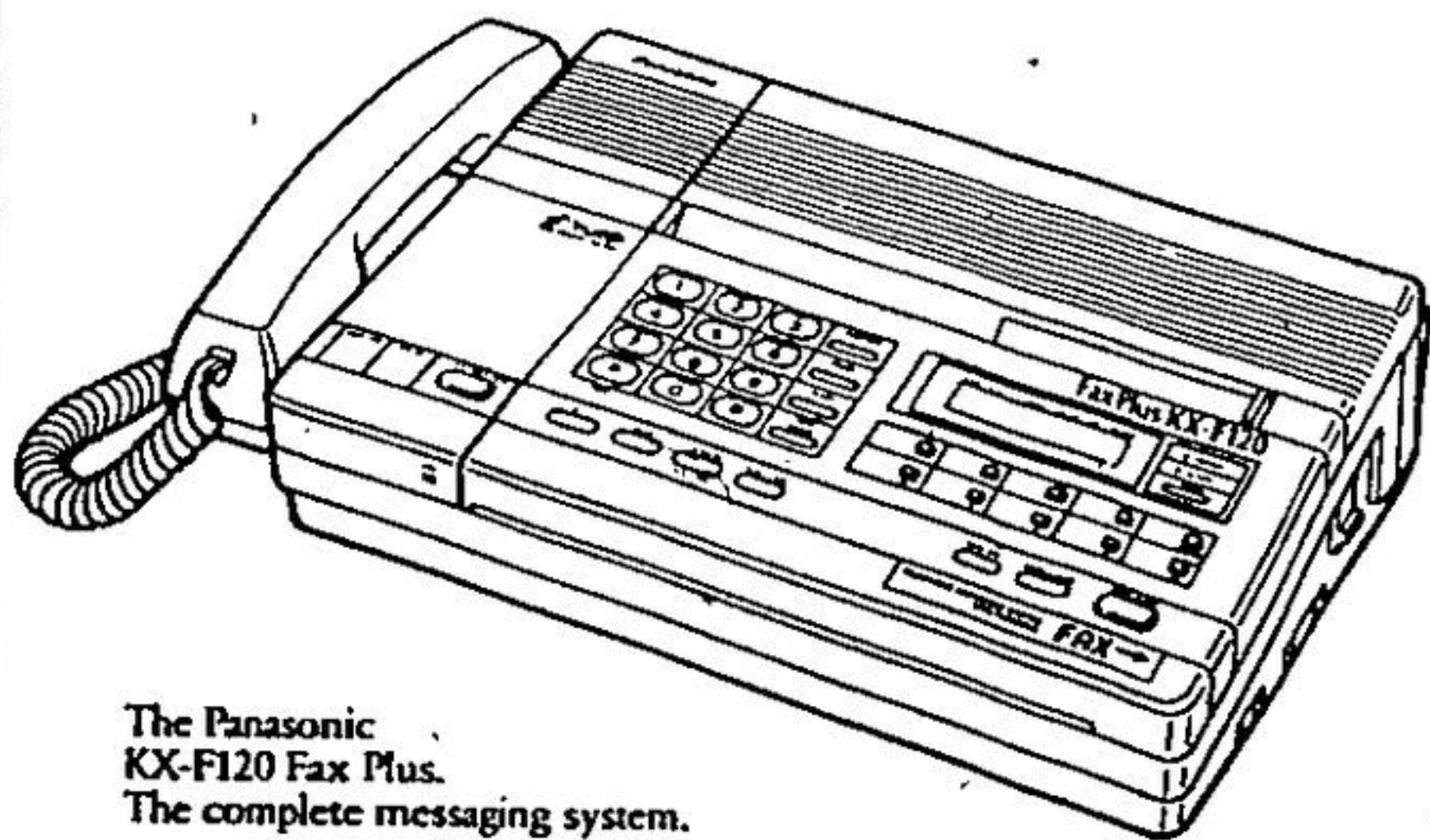
877-2300

FOR ALL YOUR OFFICE
& STATIONERY NEEDS

136C Guelph St., Georgetown

HALTEL Communications Inc. Phones, Fax & Cellular

We've packed a fax, photocopier, speakerphone and answering machine inside this handsome case.



The Panasonic KX-F120 Fax Plus. The complete messaging system.

- The first messaging system to include a high-speed fax, copier, full-featured answering machine, executive telephone, speakerphone, even a dictating machine and room monitor.
- Plugs into any standard phone jack—no dedicated fax line required.
- Sleek, compact (14" x 10") design fits on the corner of your desk.
- Remarkably affordable.

Panasonic
The Perfectionists

Only your authorized Panasonic dealer carries Canadian approved, factory warranted products.

265 Guelph Street Georgetown, Ontario 873-3310

Our thanks for the many kindnesses you've shown us through the year!



Season's Greetings From All Of Us!

(Left to Right) Rob, Lorna, Tracy, Jeanne, Marg, Margie, Rita and Becky.

At this time of year, we extend our warmest wishes, and express our deep appreciation to everyone in the community for their loyal support.



G.S.S. OFFICE SUPPLIES & SECRETARIAL SERVICES

348 Guelph St., Unit 4, Georgetown

877-2282