

Bloomberg

Eddie Bauer, New Century, GM, Pilgrim's, Tosa: Bankruptcy

By Bill Rochelle

June 18 (Bloomberg) -- [Eddie Bauer Inc.](#), a 370-store specialty retailer that confirmed a Chapter 11 plan in May 2005, filed for bankruptcy reorganization again yesterday in Delaware, this time with an agreement for selling the business to an affiliate of private-equity investor CCMP Capital Advisors LLC for \$202 million cash.

Bauer's new petition listed assets of \$476 million against [debt](#) totaling \$426 million. In addition to the eight affiliates filing in U.S. Bankruptcy Court in Delaware, Canadian affiliates sought protection from creditors in the Ontario Superior Court of Justice under the Companies' Creditors Arrangement Act.

Chief Financial Officer Marvin E. Toland said the company was forced back into bankruptcy by the "crushing debt burden inherited" from the prior Chapter 11 reorganization. Debt includes \$324 million owing on a secured term loan and revolving credit. In addition, there is \$75 million owing on convertible senior notes.

Before filing in Chapter 11, Redmond, Washington-based Bauer shopped the business to potential financial and strategic investors, bringing in five letters of intent. CCMP signed a contract to buy the business on June 17, the day of the Chapter 11 filing. New York-based CCMP wants a "relatively expedited sale process," Toland said...

Statistics

Year's Consumer Price Decline Most in Almost 60 Years

The consumer price index fell 1.3 percent for the year ended in May, the largest decline in almost 60 years. Consumer prices rose 0.1 percent in May after coming in flat the month before. Excluding food and fuel, the index at the end of May was 1.8 percent higher than the year before.

Prediction

Nursing Homes, Sporting Goods Retailers Bankruptcy Vulnerable

[Sageworks Inc.](#), a provider of financial information on closely held companies, issued a [report](#) this week identifying 10 types of non-public businesses most likely to file bankruptcy.

Many of the bankruptcy-prone industries, like car dealers, auto-parts makers, and printing companies, aren't surprising. Others are.

According to Dan Saklad, Chief Operating Officer of Raleigh, North Carolina-based Sageworks, nursing homes are near the top of the list given their inability to "readily lay off workers" or "increase their fees." He also identified providers of security and investigation services as vulnerable.

Sporting goods stores are more bankruptcy prone than other retailers, Sakland said, given the amount of inventory they need to carry and the "lack of access to funding."