

# Newsday

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## NWL may be forced to liquidate itself

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West Hempstead discounter National Wholesale Liquidators, which filed for Chapter 11 bankruptcy protection this week, could end up liquidating its assets if it doesn't find a buyer in less than two weeks.

To obtain \$7 million in debt-or-in-possession financing to continue operating, the company agreed to either sell the chain or liquidate the business by Nov. 26, according to court

papers.

The drop in consumer spending combined with lenders' recent revisions of credit terms and demands for more debt payments cut into the cash the company needed to meet regular operating expenses, court filings stated.

"The banks would like to liquidate before the holiday season comes to an end," said Robert Pidgeon, the company's director of personnel.

Even for a chain appealing to the budget-conscious like

NWL, the current market conditions have made the retail environment more cutthroat than ever, said Bob Carbonell, chief credit officer at Bernard Sands, a credit monitoring firm in South Plainfield, N.J.

"It's a shame to see a local business like this go away," Carbonell said. "It's a necessary outlet for folks on a budget."

National Wholesale Liquidators has six Long Island locations with about 700 workers here.

It has about \$66 million out-

standing on its credit line with the General Electric Capital and owes HBK Investments \$15 million plus interest and other charges, court documents stated. The company has been looking for a buyer since December 2006, documents stated.

The company needs to obtain extended financing from a new or different debtor-in-possession lender to reorganize, said Jerome Reisman, a Garden City bankruptcy attorney.

"The liquidator may ultimately be liquidated," he said.