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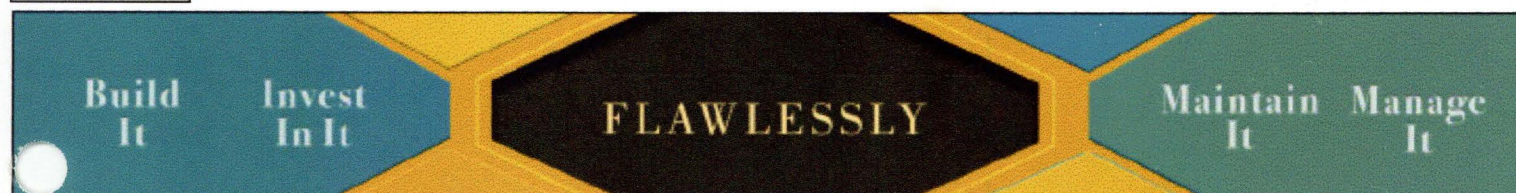
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## Sym's Corp. lands in the basement

**Discount retailer, weighed down by Filene's acquisition and slow to change, loses market share to hipper rivals.**

[Print](#) [Email](#) [Reprints](#) [Comment](#)By [Adrienne Pasquarelli @SheLikesToBake](#)

October 30, 2011 5:59 a.m.

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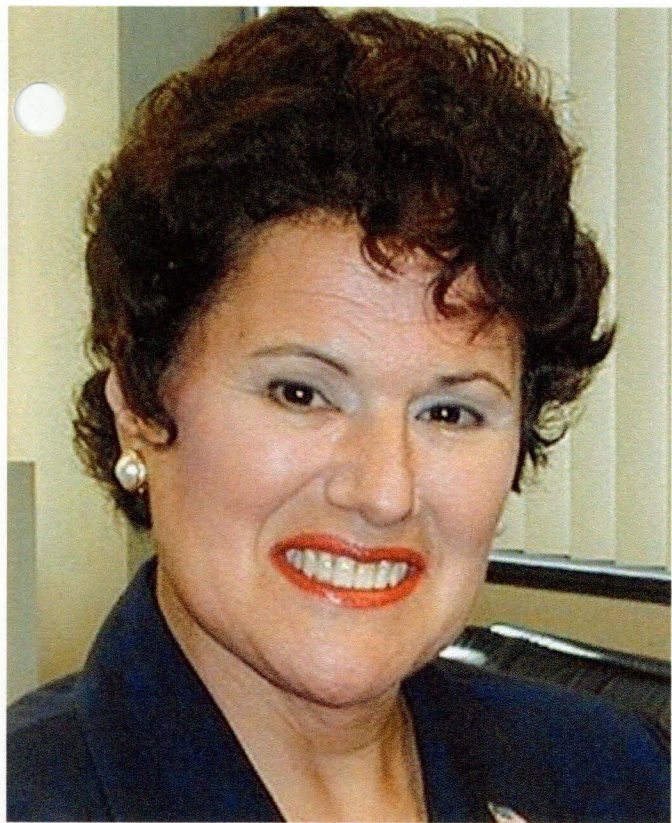
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When Sym's Corp. signed on last year to create a lavish store at 530 Fifth Ave., the location appeared to be a perfect fit for the 52-year-old discount chain. The company needed a midtown presence, and Fifth Avenue in the 40s, a once-grubby strip now home to a host of hip retailers, seemed ideal for its new hybrid brand with Filene's Basement.

Yet rumors that the \$445 million chain has pulled the plug on plans to open the 34,000-square-foot, three-story Sym's/Filene's paint a darker picture. A sign at 530 Fifth still touts a 2011 opening, but real estate brokers confirm that the retailer is abandoning the space, which reportedly had a ground-floor asking rent of \$400 a square foot.

"The location of Fifth Avenue is incredible," said Howard Davidowitz, chairman of retail consulting and investment banking firm Davidowitz & Associates Inc. "But you're taking on a big exposure there. ... What if you can't do enough business?"

Not bringing in enough business is in fact one of the Secaucus, N.J.-based company's chief difficulties. The retailer, which bought Filene's Basement for \$62 million in a bankruptcy auction two years ago, is struggling to attract consumers. For the six months ended Aug. 27, the company reported a net loss of \$10.1 million and net sales of \$191.7 million, a 14% drop from the year-earlier period.



The declines come at a time when discounted apparel is reigning as one of the hottest retail categories. For the 12 months ended in August 2011, sales in that sector topped \$16.3 billion, a 4% rise over the year-over period, according to consumer tracking service NPD Group Inc.

Instead of thriving, Syms is losing market share to rivals such as TJX Cos. and online flash-sale site Rue La La.

"An 'educated consumer' would go nowhere near Filene's Basement or Syms," said Mike Tesler, founding partner of consultancy Retail Concepts, playing off of Syms' well-known marketing slogan.

Syms executives declined to comment.

When Sy Syms founded his namesake store in 1959, it was one of the first off-price players in the retail world, so he was able to wow consumers with bargain prices for brand-name menswear. The chain expanded feverishly through the 1980s, holding an initial public offering in 1983. Mr. Syms' daughter Marcy Syms took the helm in 1998. She orchestrated the purchase of Filene's in order to bring in more female consumers.

"When Syms bought Filene's, it seemed like a smart consolidation: They were primed to jump into the new century of discount fashion," said Candace Corlett, president of WSL Strategic Retail, which analyzes shopper behavior. "But they didn't do anything. They didn't change the way they go to market, and the world of discount fashion has changed dramatically."

## Shoppers complain

Some shoppers complain that Syms' duds are just dull. A recent Yelp reviewer likened his experience at the store to going back to 1991, while another complained that much of the clothing is low-quality. Analysts said that Syms needs to update the way it procures its products. TJX famously works directly with designers and brands to obtain special collections of existing labels.

"Syms gets the leftovers," said Jack Hendler, president of Net Worth Solutions Inc., an investment advisory firm.

He noted that to keep up with the business, Ms. Syms needs to upgrade the way she buys merchandise.

The company brought on a financial adviser over the summer to look into strategic alternatives, including a possible sale. It currently operates 47 stores, down from 55 after the merger; just three are in Manhattan. Earlier this month, Syms, which has \$20 million in long-term debt, announced that it plans to close four Filene's in Massachusetts—15% of its total—by 2012.

Shareholders are suffering even more than shoppers. The share price has dropped 22% in the past four months; the stock currently trades at around \$8.40.

In fact, hedge fund Esopus Creek Advisors, an investor, is currently suing Syms. The complaints reportedly include mismanagement and failure to keep shareholders informed. Some maintain that Syms' real estate properties—it owns its Trinity Place store, for example—are worth more than its retail operations. Esopus executives declined to comment.

# The Washington Post

## Filene's Basement to close all four local stores

By Jonathan O'Connell

Another major retailer bites the dust.

Syms Corp. bought discount clothes seller Filene's Basement out



of Filene's Basement will close all 46 of its stores, the chain announced Wednesday. (Tannen Maury - Bloomberg)bankruptcy in 2009, but has not been able to revive the chain. The company announced Wednesday that it is filing for bankruptcy and plans to close all 46 of its stores, including four in the Washington area.

The chain currently has three locations in the District, at 529 14th Street (in the National Press Club building), at 1133 Connecticut Ave. and in the Mazza Gallerie at 5300 Wisconsin Avenue. It has a store in Rockville, at 11840 Rockville Pike, as well as in Baltimore's Inner Harbor.

Syms expects the closures to be complete by January of 2012 — after the holiday shopping season — but has not announced a timeline for specific stores. Staff at the Filene's Basement stores in Rockville, Friendship Heights and the National Press Club building declined to comment.

The local stores average about 30,000 square feet per store, meaning the closures will open up about 150,000 square feet of space in the area.

Filene's joins a growing list of well-known retailers that have had difficulty outlasting the sluggish economy and decided to either close up altogether or pull back, creating holes in shopping centers, malls and downtown streets. All Borders book stores have liquidated and many of the vacancies have not been filled, including those downtown and in Friendship Heights. Lowe's also announced last month that it would close 20 stores.

You can read the [Syms bankruptcy filing here](#).

*Staff reporter Danielle Douglas contributed to this report.*





## Syms, Filene's Enter Ch. 11 With Plans To Liquidate

By Lisa Uhlman

Law360, New York (November 02, 2011, 3:05 PM ET) --[Syms Corp.](#) and subsidiaries including discount clothing retailer Filene's Basement LLC filed for Chapter 11 protection in Delaware on Wednesday — the third foray into bankruptcy for Filene's — with a goal of liquidation.

Upon approval from the bankruptcy court, Syms and Filene's Basement stores will conduct going-out-of-business sales through at least the end of the year, with all stores slated to close in 2012, according to the company. The companies will be jointly administered during the bankruptcy.

"Filing for bankruptcy and pursuing a liquidation of the stores was not a step we took lightly," Syms CEO Marcy Syms said in a statement. "In the face of very challenging economic conditions, our board of directors has for some time been exploring every strategic option available and, finally, came to the conclusion that a liquidation was in the best interests of all our stakeholders."

Syms listed assets of \$228 million and debts of \$57 million as of September, as well as up to 10,000 creditors, on its bankruptcy petition, which also names subsidiaries Syms Clothing Inc. and Syms Advertising Inc.

Among the creditors the debtor listed as holding the largest claims against it are the [Pension Benefit Guaranty Corp.](#) with an unspecified claim, Peerless Clothing with a \$2.9 million claim, Dawson Forte Cashmere with a \$763,900 claim, and Rosenthal & Rosenthal Inc. with a claim of \$738,900. The creditors are largely vendors.

The company also listed its equity security holders, the largest of which are Cede & Co., the Marcy Syms Revocable Living Trust, Marcy Syms Merns, the Laura Merns Living Trust and the Ruth Merns Revocable Living Trust.

"This has been a challenging time for Syms and Filene's Basement," Marcy Syms said. "We have been faced with increased competition from large department stores that now offer the same brands as our stores at similar discounts; a proliferation of private-label discount chains; a decline in buying opportunities as brand-name labels have reduced overruns by improving their supply chain management — all combined with the worst economic downturn in our lifetimes."

She added that these factors affected both chains at a time when Filene's Basement was just emerging from its last bankruptcy stint and faced an uphill battle to rebuild its customer base.

Secaucus, N.J.-based Syms operates a chain of off-price retail stores in 13 states that sell a broad range of designer and brand-name labels. Founded in 1959 by Sy Syms, it currently operates 21 stand-alone stores, mostly in the Northeast.

The company bought Filene's Basement out of bankruptcy in 2009 for \$62.4 million. Filene's Basement, which was founded in Boston in 1909, operates 20 stand-alone stores. There are also five joint Syms/Filene's Basement stores.

In Filene's Basement's second bankruptcy run, U.S. Bankruptcy Judge Mary F. Walrath in January 2010 approved its liquidation plan, which called for the company's dissolution and the cancellation of all existing equity interests in the debtor.

Filene's initially filed that Chapter 11 petition in May 2009, citing assets of \$83.8 million and liabilities of \$182 million.

The chain's first Chapter 11 petition came in August 1998 following a massive but unsuccessful expansion strategy.

Counsel for Syms did not immediately respond to a request for comment Wednesday.

Syms is represented by Mark S. Chehi, Jay Goffman, Nancy Lieberman, Morris Kramer and Mark McDermott of Skadden Arps Slate Meagher & Flom LLP.

The case is In re Syms Corp., case number 1:11-bk-13512, in the U.S. Bankruptcy Court for the District of Delaware.





## **Syms and Filene's unit seek bankruptcy protection**

By MICHELLE CHAPMAN

### **NEW YORK**

Discount retailer Syms Corp. and its subsidiary Filene's Basement have filed for bankruptcy protection and plan to close all 46 of their stores.

Syms acquired Filene's Basement out of bankruptcy protection in the spring of 2009 for \$62.4 million, but struggled to turn the chain around. This is the third bankruptcy protection involving the Filene's Basement chain.

Syms and Filene's Basement stores are located mostly in the Eastern U.S. and employ about 2,450 people, the company said.

It's an indicator of the tough economic times as the retailer struggled to stay afloat amid tough competition and consumers who have curbed their spending.

Company CEO Marcy Syms said in statement the two discount chains were burdened by increasing competition from department stores offering the same brands at similar discounts and by a rising number of private label discounters. She also said there was less overstock for her company to buy as businesses continue to manage their inventory carefully during the tough economy.

Syms said the bankruptcy filings capped "a process that has taken place for several months."

The company, based in Secaucus, N.J., announced in May that it was exploring strategic options, including a potential sale.

CEO Syms said the company's board decided that the Chapter 11 bankruptcy filing and liquidation was the best way to maximize value for those with a stake in the company such as suppliers that are owed money.

"Blame the economy, blame the world," said St. John's University business professor Anthony Michael Sabino. "I wouldn't call it expected, but I wouldn't call it surprising."

The filing before the key holiday season could be a bad sign for retailers, Sabino said. He said even distressed retailers wait until after Christmas to file for bankruptcy, as the holiday season is their last

chance to make some money. A filing in anticipation of the peak shopping season is a sign that consumers are still not spending and could mean bad news for other retailers.

Founder Sy Syms started the company in 1959, buying excess merchandise directly from manufacturers at a discount. Off-price retailers did well during the recession as consumers traded down and spent less money, but the category has been weaker in the recovery as some shoppers are returning to luxury goods.

Filene's Basement was started in 1909 in Boston by William Filene, initially as a place for the Filene's department store to sell excess merchandise. It may be best known for its "Running of the Brides" sales event, where eager brides-to-be would wait in line for hours for a chance at buying deeply discounted bridal gowns.

The liquidation is anticipated to run through about January.

The petitions were filed in the U.S. Bankruptcy Court for the District of Delaware.

Syms and Filene's will be jointly administered during the bankruptcy. The companies are seeking court approval to hire someone to handle the merchandise liquidation and conduct sales.

Shares of Syms rose \$2.05, nearly 27 percent, to close Wednesday at \$9.72.



# The Street

## Gilt City Strikes Deals -- Deals to Watch (Update 1)

By Antoine Gara 11/02/11 - 03:48 PM EDT

Bargain brick and mortar clothes stores **Syms**([SYMS](#)) and its affiliate discount retail brand **Filene's Basement** filed for bankruptcy today. For Filene's it was the third bankruptcy in its 100 year history.

Syms took control of Filene's basement and 21 discount clothes stores under its name in 2009 for \$63 million. Syms also operates 21 stores under its name, which is an icon in discount retail for professional clothes shoppers. Shortly thereafter, Syms founder Sy Syms died at the age of 83.

Syms stock rose over 20% to \$9.21 in afternoon trading on reports of its Chapter 11 petition, the stock is up nearly 30% year to date.

Syms was founded by Sy Syms in 1959, who coined its slogan, "An Educated Consumer Is Our Best Customer." Not content to just serve educated clothes shoppers, Syms also established the Sy Syms School of Business at Yeshiva University in 1987 with a \$12.5 million endowment. Initially named Seymour Merinsky, he opened his first store on Cortlandt Street in New York City under the name Sy Merns in 1959 that competed against his brother and father -- later changed both his and his store's name to Syms after a legal battle.

Edward Filene started the the Filene's department store's in 1908 with its Downtown Crossing, Boston flagship and created its 'Basement' brand, originally called 'Automatic Bargain Basement', to liquidate unsold department store inventory.

Last year, Syms planned to open a flagship fbSY combining its namesake and Filene's brand in a flagship store on Fifth Avenue between 44th and 45th Street.

Syms stock rose over 10% to \$8.75 on reports of the Chapter 11 petition, the stock is up nearly 20% year to date.

In Secacus, New Jersey -based Syms' bankruptcy filing, the company listed assets of \$236 million and liabilities of \$94 million in its Chapter 11 petition.

According to court papers, Syms plans to liquidate its clothes inventory in a 'going-out of-business' sale prior to Black Friday on November 25th.

According to the filing, Syms will liquidate its stores through January 2012 and is asking for the courts to allow **Cushman & Wakefield** to sell its near \$100 million in real estate assets. **Gilt City**, the urban retail arm of **Gilt Groupe** today said it is acquiring assets of the daily deal site **BuyWithMe** in a push to bolster its sales of women's, men's and children's apparel and accessories, home décor, travel experiences and gourmet food and wine.

According to a press release announcing the deal, BuyWithMe sells local fashion, home and travel retail to over a million customers in services in thirteen markets around the country. For Gilt Groupe founded in 2007 by Ryan, who previously was a pioneer at **DoubleClick** the BuyWithMe purchase by Gilt City bolsters its planned expansion from operations in ten markets over the next 12 months. Details about the price of the buyout weren't announced.

"This purchase demonstrates Gilt Groupe's commitment to making Gilt City a top player in the local-services industry," said Kevin Ryan, CEO and Founder of Gilt Groupe in a press release announcing the



deal. He added, "BuyWithMe complements our philosophy of providing premium offers to customers at great prices. We are excited to capitalize on this incredible opportunity to grow our lifestyle positioning."

In February, Gilt's founder Ryan said to the *New York Times* that the company was considering a 2012 IPO. The comments came after **Nordstrom's** ([JWN](#)) bought online fashion deals site **HauteLook** for \$180 million in in stock, potentially increasing Gilt's competition.

In May, Gilt raised \$138 million in a private fundraising from investors like **Goldman Sachs**([GS](#)), **Softbank** and **New Enterprise Associates**, which valued the company at over \$1 billion.

After completing its \$3.5 billion sale of Eagle Ford drilling and production assets to **Marathon Oil** ([MRO](#)) Tuesday, **KKR** ([KKR](#)) is reported by *Bloomberg* to be considering a \$5 billion takeover of privately held shale driller **Samson Investment**.

If rumors prove to be true, it would be KKR's biggest private equity deal since the financial crisis.

For KKR, which became a Wall Street buyout legend in the 1980s for its \$25 billion takeover of **RJR Nabisco**, it would be a further push to shale drilling, and in particular into the Bakken shale in North Dakota and Marcellus shale in Pennsylvania. Its previous Hilcorp investment focused on oil & gas shale in 141 acres of the Eagle Ford in East Texas.

A Samson takeover from the ownership of Charles Schusterman, who founded the company in 1971 would signal that the shale oil and gas M&A boom still has legs. This year, Australian energy and commodities giant **BHP** ([BHP](#)) bought Petrohawk Energy for \$12.1 billion and more recently Norway's **Statoil** took over of **Brigham Exploration** ([BEXP](#)) for \$4.4 billion.

Late Tuesday after Marathon Oil reported earnings, *Bloomberg* reported that as part of the company's announced up to \$3 billion plan for oil asset sales, the company may be in talks to sell \$800 million of its Angolan offshore operations to **China Petrochemical Corp** and other Asian buyers according to two people with knowledge of the process. Reports Wednesday also indicated that Marathon may look to sell 30% of a joint venture in its Gulf of Mexico deepwater assets for \$1 billion to Asian buyers.

Currently Marathon has a 10% interest in a key deepwater drilling asset offshore of Angola called Block 32, which **Total** ([TOT](#)) has a 30% interest and the Angolan state owned oil company **Sonangol** has a 20% interest. The size of the sale signals just how valuable oil players consider drilling prospects to be offshore of Angola. Many see a geologic similarity with offshore basins off Angola to those in Brazil that in 2007 and 2008 that yielded the biggest oil finds in the Western Hemisphere in a generation.

In 2009, Chinese oil companies **Sinopec** ([SHI](#)) and **CNOOC** ([CEO](#)) bought a 20% stake in Block 32 from Marathon for \$1.3 billion, *Bloomberg* reports.

Chinese firms may also look to take stakes in Brazil. *Bloomberg* reported that **China Petrochemical Corp** is preparing to buy a stake in Portuguese oil producer **Galp Energia**, according to people familiar with the matter. Previously, Galp said it was looking to raise \$2.7 billion by selling a piece of its Brazilian unit, which owns a stake in the Jupiter oil field that may hold more than 30 billion barrels of oil.

Galp is part owned by Italian oil giant **Eni** ([E](#)) and **Amorim Energia**. The company also owns a 10% stake in Brazil's largest ever find, the Tupi well, which was drilled in 2007 and was the largest oil find in the western hemisphere since the Cantarell field was discovered in Mexico in 1976.

-- Written by Antoine Gara in New York

# The Street

## Syms Stock Soars (SYMS)

By TheStreet Wire 11/02/11 - 02:20 PM EDT

NEW YORK ([TheStreet](#)) -- Shares of **Syms Corporation** (Nasdaq:[SYMS](#)) have taken a tremendous swing upward. The stock is trading at \$9.33 as of 1:56 p.m. ET, 21.6% above Tuesday's closing price of \$7.67. Volume is at 1.2 million, 55.4 times the daily average of 21,700.

Syms has a market cap of \$121.2 million and is part of the [services](#) sector and [retail](#) industry. Shares are up 6.1% year to date as of the close of trading on Tuesday.

Syms Corp operates a chain of 'off-price' apparel retail stores under the Syms and Filene's Basement names in the United States. Its stores offer a range of in-season merchandise for men, women, and children.

TheStreet Ratings rates Syms as a [hold](#). The company's strengths can be seen in multiple areas, such as its good cash flow from operations, expanding profit margins and largely solid financial position with reasonable debt levels by most measures. However, as a counter to these strengths, we also find weaknesses including feeble growth in the company's earnings per share, deteriorating net income and disappointing return on equity. You can view the full [Syms Ratings Report](#).

See our [top % gaining stocks list](#) for other stocks that are soaring today, or get investment ideas from our [investment research center](#).

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## Syms and Filene's going out of business

Originally published: November 2, 2011 8:02 PM

Updated: November 2, 2011 10:21 PM

By CARRIE MASON-DRAFFEN [carrie.mason-draffen@newsday.com](mailto:carrie.mason-draffen@newsday.com)



Photo credit: AP, 1999 | Filene's Basement and its owner, Syms Corp., are going out of business after filing for Chapter 11 bankruptcy on Wednesday, Nov. 2, 2011. The stores expect closing sales to start before the holiday shopping. This store is in Watertown, Mass.

Apparel pioneer Syms Corp. is calling it quits, more than a half century after it became one of the first retailers to offer consumers off-priced name-brand clothing.

The company filed for Chapter 11 bankruptcy Wednesday and plans to close its 46 stores, located mostly in the eastern United States. A statement cited the economy and "increased competition" from large department stores and private-label discount chains.

The closing also includes Filene's Basement stores, which Syms bought in 2009.

The company has a Syms Clothing/Filene's Basement in Westbury and a Filene's Basement in Manhasset. Filene's LLC owns and operates 21 stores in the Northeastern, Middle Atlantic, Midwest and Southeast regions, according to a company regulatory filing.

The Secaucus, N.J.-based company declined to say how many employees it has on Long Island. Liquidation sales are expected to last through January.

Syms, known for its motto, "An educated consumer is our best customer," was once a "mega retail brand," said Marshal Cohen, chief industry analyst at the NPD Group, a Port Washington-based market research firm. But he said the brand "fizzled out," overtaken by outlet centers, online shopping and frequent department store sales. "They were unable to inject enough capital and keep pace with the rest of the discounting retail environment," Cohen said.

Sy Syms, who died in 2009 at age 83, founded the company in 1959 in Manhattan's financial district. The chain debuted on Long Island in 1974, the company said.

One analyst has valued the company's real estate properties, including a Park Avenue location, at as much as \$20 a share, according to Bloomberg News, more than double the company's stock price Wednesday.

Some customers in the Westbury parking lot Wednesday were stunned to hear about the planned closing. "Oh my God," said Lucy Arias, 51, a North Merrick hair stylist, who said she has patronized Syms for about 19 years. "It's not too expensive. It has a lot of different things."

"That's no good," said registered nurse and Baldwin resident Margaret Pierre, 58, who was putting a newly purchased winter coat into her vehicle. "They have good things and the prices are good."





# UPDATE 2-Retailers Syms and Filene's to go out of business

November 2, 2011

\* Syms, Filene's Basement going out of business

\* Syms expects a recovery for shareholders

\* Company blames competition, jittery suppliers

\* Third trip through bankruptcy for Filene's Basement

By Tom Hals

Nov 2 (Reuters) - Discount clothing retailer Syms Corp (SYMS.O), famous for saying educated consumers were its best customers, filed for bankruptcy on Wednesday along with its Filene's Basement chain and both plan to go out of business.

The bankruptcy is the third and likely final trip through bankruptcy for Filene's Basement, a chain famous for its "Running of the Brides" events.

"This has been a challenging time for Syms and Filene's Basement. We have been faced with increased competition from large department stores that now offer the same brands as our stores at similar discounts," said Chief Executive Marcy Syms in a statement.

The company said it expects both chains to complete going-out-of-business sales by the end of January.

There are 25 Syms and 21 Filene's Basement stores, mostly in the eastern United States, and the two combined employ about 2,500, according to court documents.

Marcy Syms owns or controls a majority of Syms stock. Shares of Syms were up 11 percent at \$8.50 on [Nasdaq](#), valuing the company's equity at about \$123 million.

Syms reported a loss from operations for last year of \$50.3 million on sales of \$445.1 million.

Gary Binkoski, the interim chief financial officer of Syms, said in a court filing that as the company struggled to find strategic alternatives, jittery suppliers began to tighten credit terms. He said the company could have run out of money as soon as this month, forcing it into bankruptcy.

The company said it expects some recovery for shareholders from the bankruptcy, which is unusual for a Chapter 11. The company listed the book value of its assets as \$236 million and liabilities of \$94 million, as of September.

Binkoski said the bankruptcy was timed to liquidate the company's inventory during the holiday shopping season and then find buyers for the real estate.

Syms was founded in 1958 by the late Sy Syms, who pitched his cut-price suits in television ads proclaiming "an educated consumer is our best customer."

Filene's traces its roots to 1909 in Boston, when Edward Filene opened the store as a way to sell excess goods from the family's department store which was located upstairs.

Syms bought Filene's Basement out of bankruptcy in 2009. It had also filed for Chapter 11 in 1999.



## Syms, Filene's Basement file for Chapter 11

By Val Brickates Kennedy Nov. 2, 2011, 11:03 a.m. EDT

BOSTON (MarketWatch) -- Retailer Syms Corp. [SYMS +2.98%](#) and its wholly-owned subsidiary Filene's Basement filed for Chapter 11 bankruptcy protection Wednesday, citing increased competition, fewer opportunities to buy brand-name clothing overruns, and the economic downturn. Shares of Syms were up 14% at \$8.75. "The filings today are the result of a process that has been taking place for several months. Our board has conducted a rigorous assessment of all the strategic options and alternatives available and after careful consideration has come to the conclusion that a bankruptcy filing and liquidation is the best way of maximizing value for all stakeholders," Syms Chief Executive Officer Marcy Syms said in a statement. Syms said that the liquidation of its stores will run until approximately January 2012. The company is asking the bankruptcy court to approve Cushman & Wakefield to assist in the sale of company-owned real estate, and Rothschild as its financial advisor. Syms was founded in 1959, while Filene's Basement, an offshoot of the now-defunct Filene's department store chain, traces its roots back to 1909.



## Syms, Filene's Basement File For Bankruptcy, Plan to Liquidate

By Brett LoGiurato | November 2, 2011 12:10 PM EDT

Discount retailer Syms Corp. (SYMS) and subsidiary Filene's Basement LLC filed for bankruptcy protection in Delaware on Wednesday, planning to liquidate operations. It is the third time in a decade Filene's has sought protection under Chapter 11.

The company plans to begin liquidating its 25 Syms stores and 21 Filene's basement stores with going-out-of-business sales soon - before the Black Friday that marks the start of the holiday shopping season, according to court papers obtained by the International Business Times. The liquidation is expected to last through January, according to a statement released Wednesday by the company.

According to the court filings, Syms listed \$236 million in assets and \$94 million in liabilities.

As of 11:30 a.m. ET on Wednesday, shares of Syms had jumped almost 9.6 percent.

"This has been a challenging time for Syms and Filene's Basement," Syms CEO Marcy Syms said in a statement Wednesday.

Marcy Syms cited three major factors for the company's failure: increased competition from large retailers that offer similar discounts; a growing number of private label discount chains; and a decline in buying opportunities.

"All combined with the worst economic downturn in our lifetimes," she said.

"All these factors affected both chains and they came at a time when Filene's Basement, which was just emerging from bankruptcy, was already waging an uphill battle to rebuild its customer base."

Syms Corp, which is based in Secaucus, N.J., purchased Filene's Basement for \$62.4 million in a June 2009 auction. Altogether, the company will close 25 Syms stores and 21 Filene's Basement stores.

Syms has struggled to rebuild the Filene's brand that had filed for bankruptcy in 2009, and it struggled itself. In May, Syms said its board of directors had started to look into a possible sale of the company.

According to the court filings, this exploration and review led to the decision of bankruptcy and liquidation. The Massachusetts-based Filene's Basement had also filed for Chapter 11 in the 1988.

The companies filed their Chapter 11 petitions in the U.S. Bankruptcy [Court](#) for the District of Delaware in Wilmington.



# DAILY NEWS

## Discount retailers Syms and Filene's Basement file for bankruptcy and will close all stores by January

NYC institutions seek Chapter 11 protection

BY [ASHLEY FLEMING AND ROBERT DOMINGUEZ](#)

NEW YORK DAILY NEWS

Wednesday, November 2 2011, 1:52 PM



Jim Hughes/New York Daily News

New Yorkers stroll by a former Syms location on Park Ave.

Syms could have used a few more educated consumers.

The discount clothing chain, for more than 50 years a staple of New York City's retail scene, filed for Chapter 11 bankruptcy on Wednesday and will close its nationwide stores, including its subsidiary Filene's Basement, by January.

[CEO Mary Syms](#), whose father Sy Syms founded the company in 1958 based on offering bargain prices for designer clothes, blamed the move on competition from department stores and private label discounters, plus the weak economy.

"Filing for bankruptcy and pursuing a liquidation of our stores is not a step we took lightly," [Marcy Syms](#) said in a statement on the company website.

"This has been a challenging time for Syms and Filene's Basement. We have been faced with increased competition from large department stores that now offer the same brands as our stores at similar discounts.

"All these factors affected both chains and they came at a time when Filene's Basement, which was just emerging from bankruptcy, was already waging an uphill battle to rebuild its customer base."

Based in Secaucus, N.J., Syms has 25 stores across the U.S., including Manhattan locations on Broadway and 79th St. and Trinity Place in the Financial District.

The bankruptcy came as sad news to customers at the Trinity Place store.

"I hate the idea of them going bankrupt," said Mone' Angus, a Brooklyn student. "They have too many different clothes for different occasions for a decent price. They were even one of my first real employers when I was younger."



"I'm upset because they have quality suits every week it seems, and [on\] discount, too,' said [Charley Tompkins](#), 53, of Manhattan. "To see them go under is a hurt to my closet."

Syms, whose TV ads for years famously stated "an educated consumer is our best customer," bought Filene's Basement at auction in 2009 after the 102-year-old discount chain, known for its "Running of the Brides" wedding dress sale event, had filed for bankruptcy for a second time in a decade.

Both chains plan to hold going-out-of-business sales beginning Black Friday, the day after Thanksgiving that kicks off the holiday shopping season.

There are 21 Filene's stores nationwide. Combined, the chains employ about 2,500 workers.

## Filene's Files for Bankruptcy (Again), Just In Time for Holiday Shopping

By [ALICE HINES](#) Posted 12:30PM 11/02/11



Mario Tama/Getty Images

*This story was updated on 9/2/11 at 1:40 pm*

Be on the look out for going-out-of-business sales at a Filene's Basement near you. The Massachusetts-based discount retailer announced Wednesday morning that it has filed for bankruptcy -- for the third time -- and plans to close its 21 discount stores in the next few months.

The Chapter 11 filing was [announced Wednesday morning by parent company Syms Corp \(SYMS\)](#), which is also filing for Chapter 11. Syms, another discount retailer, acquired Filene's Basement for \$62.4 million in June 2009 after the store had declared its second bankruptcy and closed 11 stores.

Competition from other large department stores, a proliferation of private discounters and "the worst economic downturn in our lifetimes" were all too much for the 102-year-old Filene's Basement, making it impossible for Syms to turn the business around, according to the press release.

During the past year, Filene's Basement attempted to close and liquidate under-performing stores in order to avoid bankruptcy, according to documents filed in [Delaware Bankruptcy Court](#). But "business continued to deteriorate," wrote Gary Binkoski, Syms' CFO, in his court statement.

Syms is now planning a "wind-down" of its and Filene's Basement's retail businesses in order to "to capitalize on the upcoming holiday shopping season" and the "Black Friday shopping opportunity," according to court documents. It plans to liquidate inventories through January 2012.

### Before the Bankruptcy

"There was no energy, no newness, no freshness in Filene's and Syms," says Mike Tesler, a partner at Boston-based retail consultancy firm Retail Concepts. "Retail is all about change."

The increased buying power of discounter-giants like TJ Maxx and the rise of private brands with their own outlet stores made it difficult for Filene's Basement to access merchandise in recent years, says Tesler, who has consulted in the past both for Filene's Basement and separately owned Filene's (acquired by Macy's in 2005).

But the nail in the coffin for Filene's Basement was losing its flagship store. In 2007, the downtown Boston location, [which made up 25% of company sales](#) and was one of the city's prime tourist attractions, closed



temporarily to make way for a new skyscraper development. When the real-estate market crashed, the development stalled, leaving Filene's Basement without a flagship up until today. In 2009, the company filed for bankruptcy.

"The heart of the organization was ripped out," Tesler says. "It would be like Macy's losing their 34th street store."

For much of the 20th century, Filene's Basement was a Boston institution. It was first opened in 1909 in the basement of Filene's department store, and became famous for marking down items on an automatic schedule based on how long they had been in the store.

As for the 2,465 employees of Filene's Basement and Syms stores, distribution centers and corporate office, Syms has requested the Delaware court to allow it to continue to pay wages and benefits during the wind-down process, as well as meet retirement and other pension obligations post-liquidation.

## Syms bankruptcy opens up prime Manhattan spots

Bankruptcy of discount chain puts four choice Manhattan locations on the market. Fate of Vornado Realty Trust's stake in company is unknown.

By Adrienne Pasquarelli | November 2, 2011 12:49 p.m.



*Buck Ennis[+]* [Enlarge](#)

The bankruptcy filing of Syms Corp. and its Filene's Basement affiliate will leave open space in the Upper West Side and Union Square.

Good news for shoppers looking to load up on large blocks of retail space in Manhattan: Several prime sites are about to open up. Syms Corp., and its Filene's Basement affiliate, filed for Chapter 11 bankruptcy protection Wednesday morning. The company plans to liquidate the business over the holiday season, after having received no "viable bids" from anyone interested in operating the business.

Secaucus, N.J.-based Syms bought Filene's Basement in a bankruptcy auction two years ago. It operates 46 stores around the country, including three in Manhattan. Last year the chain signed a lease for a lavish, 34,000-square-foot spot at 530 Fifth Ave., where ground-floor asking rents are at least \$400 a square foot. The store quietly abandoned those plans earlier this year. Along with the Fifth Avenue site, which is now up for grabs in a building under new ownership, leased sites in Union Square and the Upper West Side will also hit the market. The fate of Syms' property at 42 Trinity Place downtown, which the company owns, is unclear. According to Ron Friedman, a partner at accounting firm Marcum, a lot of owned real estate properties may go to paying back creditors.

In Union Square, Syms operates a 32,000-square-foot Filene's Basement on the third and fourth floors of 40-52 Union Square South. Asking rents for the upper floors of the space are around \$75 a square foot, according to brokers. Since the neighborhood is already home to off-price retailers such as Nordstrom Rack and DSW, the site might be especially attractive for another discounter.

"You're going to see another affordable fashion player," said Faith Hope Consolo, chairman of the retail division at Prudential Douglas Elliman. She noted that T.J. Maxx, Uniqlo and Canadian newcomer Joe Fresh are all in expansion mode.

"There's half a dozen, maybe a dozen players in that market," she said.

Meanwhile, the 23,000-square-foot Upper West Side location, on the corner of West 79th Street and Broadway, is a combined Syms/Filene's store. There Ms. Consolo expects more fashion-forward tenants,



such as Guess or Zara, to look at the space—especially since discounters including Century 21 are nearby.

Ground floor asking rents in the neighborhood are around \$250 a square foot.

In its bankruptcy filing, 52-year-old Syms reported assets of \$236 million, including \$97.7 million in real estate, and liabilities of \$94 million. Out-of-business sales will be held before Black Friday on Nov. 25.

What is not clear is what if any impact the Syms bankruptcy will have on Vornado Realty Trust. In June 2009, the big Manhattan-based real estate investment trust teamed up with Syms to buy Filene's Basement in a bankruptcy auction, paying \$62.4 million. Filene's Basement occupied a big site in downtown Boston where Vornado had planned to erect a \$700 million mixed-use project called Downtown Crossing. In recent years, Vornado has also taken out stakes in such retailers as Toys R Us, JCPenney, and Sears.

Vornado could not be reached for comment.

# Syms and Filene's Basement to close all stores

By [David Goldman](#) @CNNMoney November 2, 2011: 1:39 PM ET



Filene's Basement, part of Syms Corp., will close its stores by January, meaning this past Friday's Running of the Brides was the company's last.

**NEW YORK (CNNMoney)** -- Educated or not, consumers just weren't shopping enough at Syms stores.

The discount department store chain, which operates 25 Syms and 21 Filene's Basement stores, couldn't cut it amid a sour economic climate and rising competition from larger rivals. Syms filed for Chapter 11 bankruptcy protection Wednesday and said it would shut down all of its stores by the end of January 2012.

"This has been a challenging time for Syms and Filene's Basement," said Marcy Syms, CEO of Syms Corp, in a prepared statement. "We have been faced with increased competition from large department stores that now offer the same brands as our stores at similar discounts."

When Syms bought Filene's Basement out of bankruptcy in 2009, the company thought that the combination would make them become more efficient and successful. That didn't happen.

In the fiscal year that ended in February, Syms Corp. posted a \$51.7 million loss. So far this year, the company has lost \$16.7 million. That was too tight for a company listing just \$236 million in assets and \$94 million in liabilities, according to its bankruptcy filing.

In March, Syms began to seek a buyer. Though there were some interested parties, Syms said in its filing that it "did not receive any viable bids from any of the potential strategic and financial buyers." Meanwhile, the retailer closed two poorly performing Syms stores and one Filene's Basement location this year in an attempt to stay afloat. Syms also said that it had begun the process of shuttering five more Filene's Basement stores.



It became apparent, however, that absent a white knight, the company would not be able to stand alone. Its court filing revealed that Syms believed it would likely run out of money by the middle of November, hence the reason it sought bankruptcy protection Wednesday.

Typically, shareholders get wiped out in a bankruptcy, but the company said in its court filing that it expects "that there will be stockholder recoveries at the conclusion of their wind-down efforts." As a result, shares of Syms (**SYMS**), which had fallen by as much as 26% earlier in the day, rose 12% Wednesday.

The companies plan to shut their doors after taking advantage of liquidation sales during the holiday season.

The 52-year old Syms operates mostly in New England and the Mid-Atlantic, but also the Southeast. Filene's Basement was originally part of the now-defunct Filene's department store, which opened its doors in Boston for the first time in 1909. The company is famous for its annual "Running of the Brides" in Boston, which just took place -- for the last time -- on Friday.

Filene's Basement had offered severely discounted wedding dresses, and brides-to-be would camp out early to be among the first to get the best deals.

The companies have nearly 2,500 employees combined.

"I want to express my appreciation to our employees, many of whom have devoted their careers to Syms and Filene's Basement," Syms said. "I also want to thank our educated consumers and bargain hunters for their dedicated support over many years." ■

# Retailers Syms and Filene's to go out of business

November 02, 2011

(Crain's) — Discount clothing retailer Syms Corp. filed for bankruptcy on Wednesday along with its Filene's Basement chain. Both plan on going out of business rather than reorganizing.

Filene's has two sites in downtown Chicago, on Michigan Avenue and State Street. Syms has a location in west suburban Addison on North Avenue.

"We have been faced with increased competition from large department stores that now offer the same brands as our stores at similar discounts, a proliferation of private-label discount chains, a decline in buying opportunities as brand-name labels have reduced overruns by improving their supply chain management—all combined with the worst economic downturn in our lifetimes," Chief Executive Marcy Syms said in a statement. "All these factors affected both chains and they came at a time when Filene's Basement, which was just emerging from bankruptcy, was already waging an uphill battle to rebuild its customer base."

The company said it expects both chains to complete the going out of business sales by the end of January.

Combined, the two chains operate 46 stores, most of which are on the East Coast.

*Reuters contributed.*





## Filene's Basement owner Syms files bankruptcy, plans liquidation

**Galen Moore** | Date: Wednesday, November 2, 2011, 8:55am EDT - Last Modified: Wednesday, November 2, 2011, 3:24pm EDT

[Syms Corp.](#) and its [Filene's Basement](#) affiliate filed an application for Chapter 11 bankruptcy protection, Wednesday morning, the company announced. Going-out-of-business sales are set to start on Black Friday, the day after Thanksgiving and the official start of the holiday shopping season.

Filene's, owned by discount retail chain Syms Corp. since 2009, recently announced it would [shut four Massachusetts stores](#) by the end of the year. Syms had purchased the historic Massachusetts-based discount chain out of bankruptcy for \$63 million.

In a [news release](#), Syms CEO **Marcy Symss** said the company has faced "increased competition from large department stores that now offer the same brands as our stores at similar discounts," as well as private label discount chains. Improvements in brand-name clothing companies' supply chain operations have reduced opportunities to buy marked-down clothes.

The current Chapter 11 filing is the Filene's Basement chain's third trip through the bankruptcy court. According to [Bloomberg](#), Filene's Basement and Syms stores may shut down for good after this holiday season, as Syms seeks to liquidate stores after failing to find a viable buyer.

According to the bankruptcy filing, Filene's Basement has 1,555 employees. The firm's [website lists 25 store locations](#), nationally. Seven of the stores are in Massachusetts, including one combined Filene's Basement / Syms store that is Syms' only location in the state. A Syms spokesman declined to say how many employees are in Massachusetts.

In its bankruptcy filing, Syms listed assets \$236 million, including \$97.7 million in real estate inventories, and liabilities of \$94 million, according to [Bloomberg](#). Syms operates 25 Syms stores and 21 Filene's Basement stores.

The filing lists the Pension Benefit Guarantee Corp., which is owed an unknown amount, as Syms' top creditor. Clothing maker Phillips-Van Heusen is number two, to the tune of \$846,000. Murray Klein and Stanley Zabar, owners of Zabar's grocery in New York, are third, owed \$661,000.

# THE BALTIMORE SUN

## Maryland could lose two Filene's Basement stores

Eileen Ambrose

10:45 a.m. EDT, November 2, 2011

**Syms Corp.**, the owner of Filene's Basement, announced today that both companies have filed for bankruptcy protection under Chapter 11. Rather than reorganize its finances and continue operating, though, Syms said it concluded that liquidation was the best move for shareholders.

The 102-year-old Filene's had been in bankruptcy in 2009 when Syms, founded in 1959, acquired the retailer's assets in a bankruptcy auction.

But a turnaround wasn't possible.

In a statement, Syms CEO Marcy Syms said: "This has been a challenging time for Syms and Filene's Basement. We have been faced with increased competition from large department stores that now offer the same brands as our stores at similar discounts; a proliferation of private label discount chains; a decline in buying opportunities as brand name labels have reduced overruns by improving their supply chain management – all combined with the worst economic downturn in our lifetimes.

"All these factors affected both chains and they came at a time when Filene's Basement, which was just emerging from bankruptcy, was already waging an uphill battle to rebuild its customer base."

Filene's Basement has two stores in Maryland. One is near the **Inner Harbor** in Baltimore and the other in Rockville.

Syms and Filene's must get court approval for their plan. If the court gives the thumbs up, liquidation and going out of business sales would go through January.





## **Syms, Filene's Basement to shutter all stores in bankruptcy**

November 2, 2011



Photo credit: People walk by Filene's Basement and DSW (Discount Shoe Warehouse), chain stores. (Getty Images)

Syms' consumers may have been educated, to quote their famous slogan, but perhaps there weren't enough of them.

The New York discount retailer and its subsidiary Filene's Basement have filed for bankruptcy and are expected to liquidate all their 46 stores, including three in Manhattan, by the end of January.

About 2,450 employees will be affected, said spokesperson Steven Alschuler.

"The worst economic downturn in our lifetimes" combined with increased competition, a proliferation of private label discounters and diminished purchasing opportunities as brand names reduced overruns were to blame, said Syms CEO Marcy Syms.

Syms, whose father Sy Syms founded the bargain emporium in 1959, said those factors struck the discount chain "at a time when Filene's Basement, which was just emerging from bankruptcy, was already waging an uphill battle to rebuild its customer base."

Filene's, which had declared bankruptcy twice before, was purchased by Syms at auction in 2009.

Sym's lost its monopoly on the best cut-rate designer merch as discounters such as Century 21, Daffy's and T.J. Maxx competed for the same goods, noted Faith Hope Consolo, chairman of The Retail Group for Prudential Douglas Elliman Real Estate.

The eruption of affordable fashion chains such as H & M, Zara and Top Shop also eroded the chains' customer base and the Filene's debt was the kiss of death, Consolo added. After January, she observed, "all that great real estate will be gobbled up by their competitors."

A spokesperson for WNET/Ch. 13 said the station did not yet know if the bankruptcy would affect the Sy Syms Foundation sponsorship of the "Reel 13" series on the station that airs every Saturday night.

The news was especially painful for bottom fishers who were raised to believe that to pay retail was a sin. For Dannethia Little, a business analyst from Harlem, the news triggered memories of other great New York stores - "Alexander's, Corvette's and Orbachs!" that also shuttered.. Little, who had expanded her bargain hunting haunts in recent years, conceded she was part of the problem. "I love Marshalls and T.J. Maxx. I've been unfaithful. And now I'm sorry," she said.



# THE AM LAW DAILY

## THE WORK

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November 2, 2011 8:34 PM

### Skadden Steps Up For Liquidation of Syms and Filene's Basement

Posted by Brian Baxter

Discount clothing retailer Syms Corp. and its Filene's Basement subsidiary sought Chapter 11 protection in Delaware Wednesday and announced that all of both chains' stores would close at the end of the upcoming holiday season. It is the third, and likely final bankruptcy, for Burlington, Massachusetts-based Filene's, an off-price retailer known for its annual Running of the Brides that last entered bankruptcy in May 2009 and was sold for \$62.4 million at auction the next month to a joint venture between Syms and Vornado Realty Trust.

According to court filings, Secaucus, New Jersey-based Syms and Filene's opted to seek Chapter 11 protection after suffering several years of losses amid the recession while also facing a tightening of credit by worried suppliers. Both companies, which also cited increased competition from large department store chains, plan to liquidate their assets and inventory under a bankruptcy plan that should allow for some recovery for shareholders.

Founded in 1909, Filene's has more than 20 stores and 1,500 employees. Syms, founded in 1958 by the late Sy Syms, operates about 25 stores and has roughly 1,000 employees.

Skadden, Arps, Slate, Meagher & Flom global restructuring leader Jay Goffman is heading a team from the firm advising Syms in the bankruptcy. Other Skadden lawyers working on the matter include restructuring partners Mark Chehi, Mark McDermott, and David Turetsky, and M&A partners Nancy Lieberman and Morris Kramer. The firm, which has not yet filed billing statements with the bankruptcy court, has had its hands full with Chapter 11-related matters this week thanks to its role as lead debtors' counsel to MF Global Holdings.

Skadden advised Filene's former parent company, Retail Ventures, when it sold Filene's to a liquidation firm in April 2009 for almost nothing. A month later, Filene's filed for bankruptcy in Delaware in order to expedite a sale of its assets to interested buyers. Men's Warehouse, advised by K&L Gates, submitted an initial \$67 million offer for the company before pulling out of the bidding process. Advising on the winning bid were Lowenstein Sandler and Pepper Hamilton (for Syms) and Fried, Frank, Harris, Shriver & Jacobson and Blank Rome (for Vornado).

As of late Wednesday, no firm had yet entered an appearance for Vornado, a New York-based real estate investment trust (REIT). Syms has substantial real estate holdings, including stores at 400 Park Avenue and 42 Trinity Place in Manhattan, and shareholders urged the company earlier this year to begin selling off some of its portfolio.

Not surprisingly given how much real estate Syms and Filene's occupy, several other major REITs have retained outside counsel for the Chapter 11 case of Syms and Filene's.

Morgan, Lewis & Bockius restructuring partner Neil Herman is advising New Hyde Park, New York-based REIT Kimco Realty. Ballard Spahr real estate partner David Pollack, restructuring partner Tobey Daluz, and of counsel Jeffrey Meyers are advising Rockville, Maryland-based REIT Federal Realty Investment Trust. Katten Muchin Rosenman partners Thomas Leanse and Dustin Branch are representing property manager RREEF. Ronald Tucker, an in-house bankruptcy lawyer at Indianapolis-based Simon Property Group, the largest shopping mall owner in the U.S., is representing his employer in the matter.

Liquidators Gordon Brothers Retail Partners and Hilco Merchant Resources have retained the services of Goulston & Storrs partners James Wallack and Gregory Kaden, as well as insolvency practice head William Bowden of Delaware's Ashby & Geddes.

According to a consolidated list of creditors, at least 33 law firms of various sizes are listed as creditors of Syms and Filene's, including Am Law 200 firms Akerman Senterfitt, Drinker Biddle & Reath, Fox Rothschild, Fried Frank, Fulbright & Jaworski, Greenberg Traurig, Holland & Knight, Jackson Lewis, Katten Muchin, Mayer Brown, Skadden, Sonnenschein Nath & Rosenthal, and Vorys, Sater, Seymour and Pease.



## **Filene's, Syms File for Bankruptcy, Plan to Close Doors**

By Alyssa Newcomb | Nov 2, 2011 11:45am

Syms Corp. and its affiliate, Filene's Basement, filed for bankruptcy protection today and announced plans to liquidate, citing increased competition in the off-price retail industry.

The stores, which are perennial favorites of bargain brides and frugal fashionistas, received no bids to be taken over.

Both chains plan to capitalize on the upcoming holiday shopping rush to liquidate their inventories, said Gary Binkoski, interim chief financial officer, according to the court documents.

In total, 25 Syms locations and 21 Filene's Basement stores will close, which is anticipated to be sometime in January after liquidation.

The bankruptcy filings were "the results of a process that has taken place for several months," CEO Marcy Syms said in a statement.

Secaucus, N.J.-based Syms listed \$236 million in assets in documents that were filed with the U.S. Bankruptcy Court in Wilmington, Del. Of that, \$97.7 million is in real estate inventories, \$65.8 million merchandise inventory and \$70 million in "other assets." Total liabilities were listed at \$94 million.

The court documents cited increased competition as the reason the retailers could no longer compete in the booming off-price merchandise marketplace.

Retail analyst Michael Tesler, a partner at Retail Concepts in Norwell, Mass., said the fault rests squarely with Syms Corp., and Filene's Basement.

"Retailing is about change," Tesler said. "They didn't change and adapt and find ways to stay fresh and interesting. They became stale."

Tesler pointed to off-price behemoths TJ Maxx and Marshall's as examples of stores that are leading the industry.

The advent of upscale stores' – such as Saks Fifth Avenue and Nordstrom – opening outlet stores also "kept Sym's and Filene's Basement from getting the best merchandise," Tesler said.

Filene's Basement has previously filed for bankruptcy on two other occasions. The chain was acquired at auction by Syms Corp. in June of 2009, joining together the two historic brick-and-mortar stores.

Filene's Basement started in 1909 as a way for Edward A. Filene to sell excess merchandise from his father's Boston department store at deep discounts. Filene's business model caught on and led to other retailers' bringing him their extra goods to sell, according to the chain's website.

Syms was founded by Sy Syms in 1958 and made its name selling brand names at deep discounts. It prospered under the motto "an educated consumer is our best consumer".

According to the company's last financial report, Filene's Basement employed 1,555 people, while Sym's employed 910 people.





## Syms and Filene's Basement to Liquidate

By VICKI M. YOUNG | November 2, 2011



Filene's Basement  
*Photo By Courtesy Photo*

Syms Corp. and its wholly-owned subsidiary Filene's Basement have filed voluntary Chapter 11 petitions in a Delaware bankruptcy court, with the intention to liquidate the business.

Marcy Syms, chief executive officer, said, "Our board has conducted a rigorous assessment of all the strategic options and alternatives available and after careful consideration has come to the conclusion that a bankruptcy filing and liquidation is the best way of maximizing value for all shareholders."

The liquidation of stores is expected to run through January.

In the past week there were rumblings that a liquidation might be in the works.

# NEW YORK FASHION

11/2/11 at 2:30 PM

## Syms, Filene's File for Bankruptcy With Plans to Shutter



*Photo: Mario Tama/Getty Images*

Having bought Filene's Basement at auction for \$63 million in 2009, Syms Corp. filed for Chapter 11 bankruptcy in court in Delaware today. With assets of \$236 million, the company announced plans to liquidate this holiday shopping season, having received no "viable bids" from parties who could successfully take over the business. Ultimately the stores were not able to compete with the rise of Internet sale sites and fast-fashion chains in the economic downturn. In the meantime, they were already trying to pull Filene's out of its own bankruptcy.

This means you can look out for some serious discounts at the company's 25 Syms and 21 Filene's Basement stores; going-out-of-business sales are slated to begin before Black Friday and continue through January of next year.

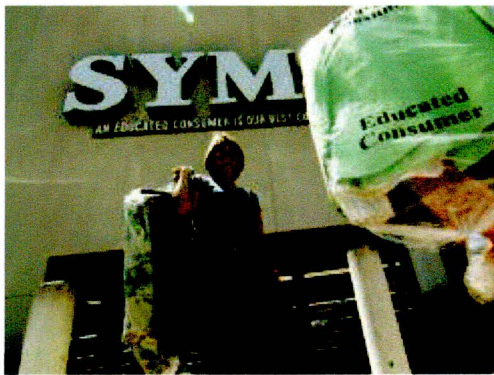




## Despite Syms, Filene's, it's been a slow bankruptcy year

By Matt Krantz, USA TODAY | November 2, 2011

The news Wednesday that discount retailer Syms and its Filene's Basement affiliate are filing for bankruptcy protection and plan to liquidate might cause cost-conscious consumers to shed a cheap tear or two.



By Norman Y. Lono, for USA TODAY

Discount retailer Syms and its subsidiary Filene's Basement have filed for bankruptcy protection and plan to close all 46 of their stores.

The corporate casualty, though, is an anomaly in what has been a fairly quiet year for bankruptcy protection filings. Outside of the massive implosion of MF Global this week, there have been few other filings, and the overall assets held by the companies going to bankruptcy court are low.

"Companies are in such a position, should there be a shock to the system, they are in better position to handle it," says Mark Minichiello, chief investment officer at QCA Capital. The overall good health of companies is clear in the:

- Drought of bankruptcies this year.** If not for MF and its \$40.5 billion in assets, the pre-bankruptcy value of companies involved would be running at about a quarter of last year's level.

Even including MF, this year there have been 68 U.S. public bankruptcies, representing \$56 billion in assets, BankruptcyData.com says. The pace is down from a slow 106 companies that defaulted in all of 2010 with \$89.1 billion in assets.

- Limited default rate potential.** Just 1.25% of companies with the lowest credit ratings are expected to default through the end of this year, says Mariarosa Verde of Fitch Ratings. That's in line with the 1.3% default rate last year and well shy of the long-term 5% average annual rate.

•**Low defaults around the globe.** This year, the U.S. has accounted for 72% of the world's defaults, says Standard & Poor's. Even so, defaults around the world this year are half of what they were last year, S&P says.

Fitch's Verde doesn't expect a meaningful increase in defaults, despite the Syms and MF situations. She says MF is a unique case, and Syms was especially vulnerable due to its high level of debt and exposure to consumer spending.

But others aren't so sure. Many companies stuck between being sick and dying are just holding on, waiting for their businesses to turn around or for asset prices to rise so they can restructure, says Martin Zohn at law firm Proskauer Rose.

Volatility in the stock market only makes companies want to delay restructuring even more, he says. "You hold off a little longer," he says.

Meanwhile, oxygen to companies with lower credit ratings is being cut off as it becomes more difficult and expensive for them to borrow, says George Putnam, editor of the *Turnaround Letter*. And record levels of debt raised in 2009 will come due. While "2011 is a very light year (for bankruptcies), next year we might see a lot," he says.



## Bargain Basement Goes Under

By Jacqueline Palank | NOVEMBER 2, 2011, 2:40 PM ET



European Pressphoto Agency

Brides running to get to the racks of wedding dresses at the annual Filene's Basement Running of the Bride's event in Miami, Fl., in May 2011. Brides and family members sometimes line up for hours before the doors open in search of the perfect perfect dress on sale.

Christmas has come early for bargain-hunting shoppers. Filene's Basement and parent Syms Corp. filed for Chapter 11 bankruptcy Wednesday with plans to immediately start holding going-out-of-business at their 46 stores.

The liquidation means the death of two companies that for decades have offered designer apparel, shoes and accessories at bargain prices, long before the term "recessionista" was coined. Filene's Basement was founded in Boston in 1909, and Syms, of Secaucus, N.J., opened its first store in 1959.

It also means an end to Filene's famous "Running of the Brides" event, where future brides and their friends rush into stores the chance to snag designer wedding gowns at deeply discounted prices. Despite an economic climate favorable to discount retailers, the companies have struggled since Syms bought Filene's out of a prior Chapter 11 case two years ago.

"We have been faced with increased competition from large department stores that now offer the same brands as our stores at similar discounts; a proliferation of private label discount chains; a decline in buying opportunities as brand name labels have reduced overruns by improving their supply chain management—all combined with the worst economic downturn in our lifetimes," Syms Chief Executive Marcy Syms said in a statement.

To capitalize on the upcoming holiday season, Syms will be asking the U.S. Bankruptcy Court in Wilmington, Del., to let the retailers kick off going-out-of-business sales. They expect their liquidation to last through January.

The retailers operate stores in Connecticut, Florida, Georgia, Illinois, Maryland, Massachusetts, Michigan, New Jersey, New York, Ohio, Pennsylvania, Texas, Virginia and Washington, D.C.

As a result of the liquidation, 1,555 Filene's employees and 910 Syms employees will find themselves out of a job this holiday season.

"I want to express my appreciation to our employees, many of whom have devoted their careers to Syms and Filene's Basement, for their loyalty and hard work," Marcy Syms said.

You can read a more detailed description of Syms' struggles, as well as its plans for bankruptcy, in an affidavit [here](#).



# Bloomberg Businessweek

## Syms, Filene's Basement Seek to Liquidate in Bankruptcy

November 03, 2011, 7:03 AM EDT

*By Christopher Scinta and Sophia Pearson*

(Updates with details of filing in third paragraph.)

Nov. 2 (Bloomberg) -- Syms Corp. and its Filene's Basement LLC affiliate filed for bankruptcy in Delaware, the third time Filene's, the century-old clothing chain, has sought protection from creditors.

The company listed assets of \$236 million, including \$97.7 million in real estate inventories, and liabilities of \$94 million, according to a statement filed with the Chapter 11 petition today in U.S. Bankruptcy Court in Wilmington, Delaware.

Syms, which operates 46 stores under Filene's Basement and its namesake brand in the U.S., said it plans to liquidate the business during the holiday season. The company said it received no "viable bids" from anyone willing to operate the business.

Syms, based in Secaucus, New Jersey, bought Filene's Basement in an auction for \$63 million in June 2009. The company has 25 Syms stores and 21 Filene's Basement locations. The company plans to conduct going-out-of-business sales before Black Friday, the beginning of the U.S. holiday shopping season, according to court papers. Black Friday, the day after the Thanksgiving Holiday, falls on Nov. 25 this year.

Edward Filene opened his Boston bargain basement in 1909 to clear out merchandise from his family's department store, eventually leading other retailers to bring their unsold goods to him, according to the store's website.

The case is *In re Filene's Basement LLC*, 11-13511, U.S. Bankruptcy Court, District of Delaware (Wilmington).

--With assistance from Bill Rochelle in New York. Editors: Andrew Dunn, Stephen Farr

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# The Boston Globe

## Filene's Basement files for bankruptcy, to close in 2012

By Jenn Abelson and Chris Reidy, Globe Staff | 11/02/2011 10:49 AM

Filene's Basement, the historic Massachusetts discounter, has filed for bankruptcy protection for the third time in just over a decade and will shutter for good after the holiday season. Filene's Basement is owned by Syms Corp., which purchased the company out of bankruptcy in June 2009. Syms also filed for Chapter 11.

The liquidation of Filene's Basement and Syms stores is expected to run through approximately January 2012, Syms said in a press release. The schedule for store closings is to be determined as the liquidation of merchandise is completed.

The demise of Filene's Basement also means the end of its popular "Running of the Brides" event, where hundreds of frenzied brides-to-be rummage through racks of wedding dresses at discount prices.

In a statement, Syms chief executive Marcy Syms said that fierce competition, along with the "worst economic downturn in our lifetimes," were among the reasons for the move.

"The filings today are the result of a process that has been taking place for several months," Syms said. "Our board has conducted a rigorous assessment of all the strategic options and alternatives available and after careful consideration has come to the conclusion that a bankruptcy filing and liquidation is the best way of maximizing value for all stakeholders."

Syms interim chief financial officer Gary Binkoski, in Chapter 11 documents filed today, said the brands have determined they are unable to reorganize on a stand-alone basis and concluded the "best way to maximize value ... is a prompt and orderly wind-down of the retail businesses that will capitalize on the upcoming holiday shopping business."

Filene's Basement has about 21 stores and roughly 1,555 employees, and a distribution center in Auburn, Massachusetts. The Chapter 11 filing in US Bankruptcy Court in Delaware listed between \$1 and \$10 million in assets and between \$50 and \$100 million in liabilities.

The top creditor, with an unknown claim amount, is the Pension Benefit Guarantee Corporation. The brand Phillips-Van Heusen Corp. is owed nearly \$850,000. Syms hired a financial advisor earlier this year to examine strategic alternatives.

This is the company's third time around with the US Bankruptcy Court, which "is a highly unusual scenario," according to Brandy Chestas, a senior editor at New Generation Research, Inc, which runs [bankruptcydata.com](http://bankruptcydata.com).

But the filing is not exactly a surprise. In recent weeks, the chain has been announcing plans to shut some stores. Filene's Basement is closing two stores in Ohio and Maryland, in addition to the four shops it is shuttering in Massachusetts by the end of the year. About 2 1/2 years ago, Filene's Basement was purchased by Syms Corp. at an auction.

Before Filene's Basement filed for bankruptcy in 2009, it shut down 11 of the chain's locations. After the latest round of closings is finished in December, only about 20 will remain.



Edward A. Filene founded Filene's Basement more than a century ago as a way to sell excess merchandise from his father's department store upstairs.

The basement pioneered the concept of bargains when it devised a system of automatic markdowns, where merchandise is discounted on a set schedule that customers can track. When Syms purchased Filene's Basement at an auction, it promised to restore the historic clothing chain's luster.

And Syms chief executive Marcy Syms has said in past interviews that she is committed to bringing Filene's Basement back to Downtown Crossing. But now, Syms is facing a lawsuit filed by a shareholder, Esopus Creek Value Series Fund, that accuses management of "running the company [into] the ground and ignoring shareholders' rights."

# The Boston Globe

## Filene's saga ends

Modern challenges forcing once-cherished Basement stores to shut

By Jenn Abelson

Globe Staff / November 3, 2011

Filene's Basement survived two bankruptcies and the loss of its flagship Downtown Crossing store, but competition and marketing missteps are forcing the century-old Boston institution to take its final markdowns and close the company's 21 remaining shops.

The legendary discounter filed for bankruptcy protection yesterday - the third time in just over a decade - and plans to hold liquidation sales during the holiday season before shutting its doors for the last time in January.

It's a disappointing but not unexpected turn for the struggling merchant, which began in 1909 as a place to sell excess clothing and other goods from the Filene's department store upstairs on Washington Street. Over the decades, the quirky shop became famous for its messy bins brimming with designer merchandise, an automatic markdown system, and the "Running of the Brides" events at which frenzied women tore through racks of bargain-priced wedding gowns.

Filene's Basement split from Filene's department stores in 1991 and outlasted the founding chain, which disappeared a year after being bought by rival Macy's in 2005.

Retail analysts said the demise of Filene's Basement reflects the company's failure to improve its buying clout, compete against bigger rivals, and combat a growing number of challenges from outlet stores and online merchants such as Gilt Groupe and Rue La La.

"Filene's Basement was a much smaller player compared to T.J. Maxx and other discounters, and size and scale really matters today," said Madison Riley, a retail strategist with Kurt Salmon in Boston, a consultancy company. "You also have a lot of Internet players that have popped up that are completely reconfiguring this space."

In addition to specialty online sellers, Salmon said, more traditional retailers have become better at selling on the Internet. "It's attacks from all sides," he said.

Syms Corp., which bought Filene's Basement at an auction in June 2009, is also filing for bankruptcy protection under Chapter 11 and closing its 25 clothing shops. The New Jersey retailer had hoped to shore up the Basement by uniting the two brands. But the marriage has been rocky, and a move to open joint stores that featured the merchants' offerings under one roof alienated customers of both companies at a time the economy was weak and consumer spending slowing. The two damaged businesses, which suffered significant losses, are now poised to go down together.

Syms started looking for buyer earlier this year, but there were no viable bids. The company's interim chief financial officer, Gary Binkoski, said in court records filed in Bankruptcy Court in Delaware that the best option "is a prompt and orderly wind-down of the retail businesses that will capitalize on the upcoming holiday shopping business." It also plans to sell off real estate owned by Syms, subject to court approval.

Syms chief executive Marcy Syms, whose father founded the discounter in 1959, blamed the troubles on increased competition "combined with the worst economic downturn in our lifetimes." Syms, in a message to customers posted on Filene's Basement website, said "Filing for bankruptcy and pursuing a liquidation of the stores was not a step we took lightly. In the face of very challenging economic conditions, we have



for some time been exploring every strategic option available and, finally, came to the conclusion that a liquidation was in the best interests of all our stakeholders."

Syms and Filene's Basement are still accepting returns for the next 30 days and honoring gift cards. Filene's Basement has about 1,555 employees at its stores, Auburn distribution center, and other offices. In recent weeks, the chain's escalating problems became evident.

The Globe reported plans to close six stores, including four in Massachusetts, by the end of the year. Filene's Basement, beloved by Boston Mayor Thomas M. Menino and legions of local shoppers whose ranks have been dwindling, inspired a 2010 documentary celebrating the 100th anniversary of the brand.

But the closing of the Boston Downtown Crossing site in 2007 - to make way for a redevelopment project that still has not moved forward - and the chain's inability to replicate the cachet of the flagship has left many consumers with a heavy dose of nostalgia.

"It's time to say goodbye. Filene's Basement has been operating under a false persona for the last several years," said Patti Nurse, who shopped there for decades. "They were not the true Filene's Basement."

For Menino, Filene's Basement "officially died five years ago" after the company shut down the Downtown Crossing shop.

He reminisced yesterday about the Brioni ties, Oxford suits, and other treasured bargains he discovered at Filene's Basement.

"Syms just ran Filene's Basement into the ground," he said. "They used the good name of Filene's Basement to bankroll Syms."

Menino said he never believed Syms' promises to bring back Filene's Basement to Downtown Crossing. "There was a lot of conversation 'I promise you, I promise you.' But delivery is the most important thing," Menino said. "And Syms never delivered."

In recent years, Filene's Basement lost buying power with merchants and its legitimacy with consumers eroded as the competition intensified - even after it teamed with Syms - according to Marshal Cohen, chief retail analyst at the NPD Group, a market research firm in New York.

"Filene's Basement did not do a good job of reigniting the next generation," he said. "Younger people today do not have the passionate desire for Filene's Basement."

During the company's last bankruptcy in 2009, filmmakers Michael Bavaro and Sue Edbril were trying to finish their documentary, "Voices from the Basement," which focused on the aura of the Downtown Crossing store and profiled its employees.

With the company's future uncertain, they opted for an optimistic outcome. Now, Bavaro said, he will probably rework the final scene.

"This isn't the ending I had hoped for, but I'm not surprised," he said. "I'm sorry to see them go."



# Bailout unlikely for leaky Basement

By Donna Goodison

Thursday, November 3, 2011 - [Updated 48 minutes ago](#)

The Filene's Basement name will likely go the way of Tweeter, Bradlees, Ames and other defunct New England retailers — into oblivion — while other assets are liquidated in the dying chain's bankruptcy proceedings.

A fierce bidding war erupted for the chain's locations and assets when it last filed for bankruptcy in 2009, but retail experts doubt there's a new future for the brand itself after the company's current liquidation.

"I don't think the name is strong enough to overcome the competition, especially in apparel retail," said analyst Ken Perkins of Swampscott's Retail Metrics. "You've got TJX broadening their offerings, Ross Dress for Less is trying to expand their footprint further eastward. The competition is very steep."

Although many Bostonians hold the Basement dear, the chain is "small potatoes" in the retail world.

Some well-known brands have been resurrected after liquidations, but they had greater reach. Boston-based Gordon Bros. Group gave new life to Linens 'n Things in 2009 as an online store and in branded goods after the bankrupt chain shuttered its stores. It also resuscitated Polaroid, Sharper Image and Bombay Co. through licensing deals.

Gordon Brothers, which was hired by Basement owner Syms Corp. to handle going-out-of-business sales at five Basement stores before yesterday's bankruptcy filing, declined comment.

Basement liquidation sales are expected to start in mid-November.

"The upcoming holiday shopping season, including the critical 'Black Friday' post-Thanksgiving shopping weekend, provides a unique window of opportunity for the (company) to maximize values



from the store closings when retail customers are most likely to shop," interim Syms Chief Financial Officer Gary Binkoski stated in a bankruptcy affidavit.

Liquidators typically start with 25 percent to 50 percent off and hope to sell as much merchandise as possible before ratcheting up the discounts.

"They don't want to be standing with any inventory by the 24th of December," Perkins said.

After that, the only proper way to keep the brand alive would be to open another Downtown Crossing store with all the nostalgia and discounted quality merchandise for which it was known, said consultant Michael Tesler of Norwell's Retail Concepts.

"That's very questionable that could happen," he said. "It's like L.L. Bean. Good luck to them in the long-term in their branch stores. L.L. Bean just belongs in Freeport, Maine. Filene's Basement just belongs in Downtown Crossing. The [Red Sox](#) [\[team stats\]](#) belong in [Fenway Park](#) [\[map\]](#)."



# Regret greets end of Hub shopping era

By Donna Goodison and Thomas Grillo

Thursday, November 3, 2011 - [Updated 49 minutes ago](#)

For many loyal customers, Filene's Basement was a Boston institution — the personification of Yankee thrift that will leave a hole in the city as it's relegated to Hub history.

It was a place where high society and top executives mingled with budget-minded fashionistas and working-class soldiers all in search of a bargain — and yesterday shoppers were already mourning its loss.

"Half the fun is the hunting — that's what makes Filene's Basement exciting," said Fred Smith, 57. "You can get designer suits for \$150. It makes my Yankee roots tingle. You get your money's worth."

The Basement's imminent end is a "shame," Dolly Lakkis said outside the Boston store yesterday, where she shops at least once a month.

"They have the good brand names and good quality for a great price," she said.

The news also came as a disappointment to Tim Ewart, who was leaving the Newton store with a cashmere jacket, two shirts and a tie.

"Wow, I've been coming here for years to buy suits," he said. "I'll miss the low prices and the variety. I could always find something so I'm not sure where I will shop now."

But other shoppers saw the writing on the wall. The chain expanded too far into the suburbs and lost its "sense of place," according to Smith.

"I think it was a long time coming, because they had gone through trials earlier," said Doug Christian of Belmont. "People, even in discount stores, expect a certain degree of excitement in what they see."

For others like Rosalie, a Medford senior citizen who didn't want her last name used, the Basement's end came in 2007, when the flagship, automatic-markdown store closed.

"I always say that my mother and aunt found their way to Filene's Basement the day they got off the boat," Rosalie said. "If you were in Boston, you went to Filene's Basement. It was just part of your day."

Boston Mayor Thomas Menino, a 30-year Basement shopper, also said the "real Filene's Basement" closed four years ago.



"Now it's a facsimile of what (Syms CEO) Marcy (Syms) thought was Filene's Basement," he said. "We all know that Filene's Basement was the place to shop, but they tried to do a replication of it with cheaper goods and not the fine products they had ... and it didn't work. The consumers were smarter than Marcy gave them credit for."

But Sue Edbril, a Wellesley psychologist who produced the one-hour "Voices from the Basement" documentary about the original store, believes the Basement will be grieved far and wide.

"Everywhere I go literally in the world, anyone I meet has a Filene's Basement story," Edbril said — even in a synagogue in Dublin, Ireland, this year during a Rosh Hashanah service, where she met a Dorchester native.

"In this very depressed synagogue, where they had no rabbi and had to bring in (one) from England, and it was a very small, shrinking community, her parting words to me were, 'I worship Filene's Basement,'" Edbril said



# Store shutdown on Newbury St. leaves 'sought after' space

By Thomas Grillo

Thursday, November 3, 2011 - [Updated 9 hours ago](#)

The two-story space being vacated by Filene's Basement on Boylston Street is the second major hit for the same landlord who lost Borders to bankruptcy earlier this year.

But brokers say the Basement's 38,000 square feet in the Newbury building should lease quickly after the retailer liquidates early next year because it is a prime space that also connects to lower [Newbury Street](#).

"There will be several retailers who want to be here," said Andrew LaGrega, principal at the Wilder Cos., a downtown agent who represented the landlord when Filene's Basement took the space in 2006.

LaGrega said most of the 24,000-square-foot Borders space is expected to be leased to clothing retailer H&M, which will expand into the second level of the former bookstore.

"The challenge for the Filene's space is finding the right tenant, but that amount of space is rare in the Back Bay and will be sought after," he said.

LaGrega noted there was a long line of prospective tenants for the former Virgin Records space at Newbury Street and Massachusetts Avenue, which was leased by electronics chain Best Buy.

"That was pre-recession," he said. "But it's not like the suburbs where there are many empty box stores."



# The Syms saga: From rags to riches to rags

By JAMES COVERT | *Last Updated:* 4:09 AM, November 3, 2011, *Posted:* 12:28 AM, November 3, 2011

Syms and Filene's Basement are preparing for their final markdowns.

The tattered off-price clothing chains -- whose cluttered stores have struggled to compete since their botched merger two years ago -- have filed for Chapter 11 and will stage liquidation sales through the holidays before closing for good early next year.

"This has been a challenging time," said Syms CEO Marcy Syms, the daughter of the late off-price pioneer Sy Syms, who founded the retailer in 1959.

The filing marks the demise of two icons of retail.

In late-night TV pitches that began in 1974, Sy Syms became famous for his slogan, "An educated consumer is our best customer."



NEWSDAY FILE

FAMILY AFFAIR: Marcy Syms, and her father, Sy Syms, check out the goods at their downtown store during the early '90s.

Meanwhile, 102-year-old Filene's had built a following after World War II by staging deep discounts on bridal gowns that spurred an annual "Running of the Brides."

While both retail nameplates had seen better days, yesterday's bankruptcy filing surprised many suppliers, who noted that Syms had been mostly current on its payments for deliveries. According to one source, the filing was made under pressure from asset-based lender Bank of America.

"The bank figured that holding going-out-of-business sales would be more lucrative during the holidays than if they waited until January," the source told The Post.

In an odd twist, news of the bankruptcy sent Syms shares soaring nearly 27 percent, gaining \$2.05 to close at \$9.72. That's because investors are betting that a sale of the retailer's real estate could reap a bonanza, as the company has little debt despite its persistent losses.

Still, some insiders raised doubts about the true worth of the real estate, whose most valuable locations include its downtown flagship at 42 Trinity Place.

Syms, which had hired an investment bank recently to explore its strategic alternatives, including a sale, drew a handful of bids from real-estate firms and rival retailers, but "none were high enough to give the board comfort that shareholders would approve," according to a source close to the talks.

Marcy Syms, who combined the two brands in 2009 when she scooped Filene's Basement out of bankruptcy for \$63 million, blamed the planned shuttering on "the worst economic downturn in our lifetimes," as well as stepped-up competition.

While upscale chains like Saks, Nordstrom and Neiman Marcus have been rolling out their own off-price stores to clear excess goods, luxury discount sites like Gilt Groupe and Rue La La have fueled growth by paying top dollar for the most desirable overstock fashions.

That created problems as Marcy Syms tried to continue her father's scavenging strategy at Filene's Basement, whose customers had been accustomed to bargains on better fashions from Europe. "Marcy insisted on waiting until the end of the season and buying what was left over for cents on the dollar," according to one former exec. "If you wanted to have a cashmere program, you couldn't buy anything up front, so you ended up with bad colors and odd sizes."

In recent months, Marcy Syms had handed day-to-day control of the company to turnaround firm Alvarez & Marsal, while the investment bank Rothschild searched for a buyer.

At the same time, activist investment firm Esopus Creek Advisors this year sued Syms, demanding books and records that might give evidence of potential mismanagement.

Indeed, the bankruptcy filing caps several tumultuous years for Syms investors, who revolted in 2008 when the off-price retailer tried to delist its shares.

At the time, The Post had cited investor concerns that the company was trying to take itself private on the cheap -- a suspicion that appears to persist, given yesterday's run-up in the shares.

In the face of these concerns, Syms execs had repeatedly denied any nefarious motive.

"I always read The Post," Sy Syms, who died in November 2009, told The Post in an interview after a raucous July 2008 shareholder meeting. "But I never believe it."





## Filene's Basement Is Shutting Its Doors

by RENEE MONTAGNE



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*November 3, 2011*

America's original discount store has filed for federal bankruptcy protection and plans to close its 46 stores. This isn't the first time the company has filed for bankruptcy, but it appears to be its last. The company cited increased competition from department stores, private-label discounters and the economic downturn.

# TIME

THE ECONOMY

## Filene's Basement Is Marking Down Merchandise for the Last Time

By **BRAD TUTTLE** @bradrtuttle November 3, 2011



MARIO TAMA / GETTY IMAGES

It looks like the brides have run for the last time. Filene's Basement, the century-old discount retailer based in the Northeast and famous for its chaotic "**Running of the Brides**" sale, in which women rummage through aisles of drastically marked-down wedding gowns, has filed for bankruptcy and will close all of its stores by early 2012.

This will be the third time Filene's Basement is filing for bankruptcy over the course of a little more than a decade. This time, bankruptcy will end in liquidation—and likely with the chain doing what it's best known for, offering dramatically discounted clothing and other merchandise. Unlike its other sales, the promotions expected to continue through the heart of the holiday shopping season will be of the going-out-of-business variety.

An exact schedule for store shutdowns has yet to be announced by the Syms Corp., which owns Filene's Basement and is also filing for bankruptcy. There are currently 46 "off-price" apparel stores operating under the Syms and Filene's Basement names in the U.S., mainly in the East Coast. The **company announced**:

The liquidation of stores is expected to run through approximately January 2012. Syms and Filene's Basement are seeking court approval to retain an agent to handle the liquidation of merchandise and for authorization to conduct going out of business sales.

The **Boston Globe** notes that Filene's Basement was once seen as an innovator in the field of discount retailing:



The basement pioneered the concept of bargains when it devised a system of automatic markdowns, where merchandise is discounted on a set schedule that customers can track. When Syms purchased Filene's Basement at an auction, it promised to restore the historic clothing chain's luster. Instead, Filene's Basement's old retail strategies couldn't hack it in the current ultra-competitive marketplace, especially during the recent economic downturn. Here's how Syms CEO Marcy Syms explained the company's failings in a press release:

We have been faced with increased competition from large department stores that now offer the same brands as our stores at similar discounts; a proliferation of private label discount chains; a decline in buying opportunities as brand name labels have reduced overruns by improving their supply chain management – all combined with the worst economic downturn in our lifetimes.

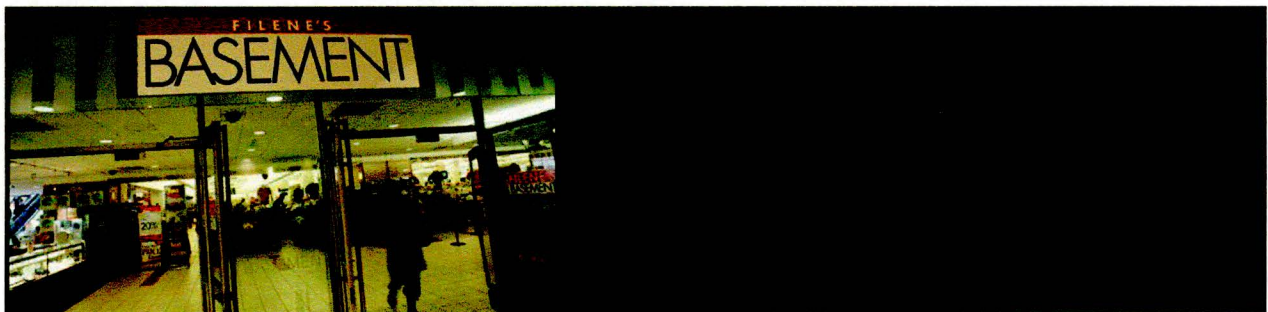
Out with the running of the brides, in with the going-out-of-business bargain hunters.

# For Syms, a Final Markdown

*Discounter Will Liquidate Its Namesake Chain and Filene's*

By DANA MATTIOLI

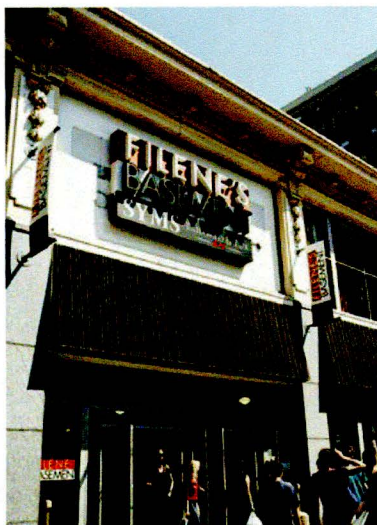
Half a century ago, Sy Syms helped pioneer the sale of name-brand apparel and other goods at discount prices. Now, the company he founded is taking its own cue from his strategy: If you can't sell it, liquidate.



Discount retailer Syms and its Filene's Basement subsidiary filed for Chapter 11 bankruptcy protection with plans to liquidate. Dana Mattioli has details on The News Hub.

Syms Corp. and its subsidiary, Filene's Basement LLC, filed for Chapter 11 bankruptcy protection Wednesday. The retailer, which put itself up for sale in May but found no buyers, said it will sell its inventory and real estate and shut down, rather than try to stay in business.

The Secaucus, N.J., company, which has 2,500 employees and operates 46 stores under its Syms and Filene's Basement banners, said in its filing that the chains posted significant operating losses for the past two years as creditors toughened their payment terms, competitors proliferated and big apparel brands did a better job of managing their inventories. That left fewer overruns for Syms and other discounters to sell.



Syms, which was founded in 1959, compounded those pressures by snapping up Filene's Basement for more than \$65 million in a bankruptcy-court auction two years ago, expecting to reap cost savings that never materialized. In its most recent quarter, which ended Aug. 27, Syms had a loss of \$11.5 million, compared with a year-earlier loss of \$10.9 million.

Its decision to start winding up its business ahead of the crucial holiday sales season, and at a time when the



sputtering economy has sent waves of new consumers to fellow discounters like TJX Cos. and Ross Stores Inc., underscores the company's precarious financial position.

Still, Syms shares surged, rising 27% to \$9.72 in 4 p.m. Nasdaq Stock Market trading, as investors took stock of its \$236 million of assets, which substantially exceeded the debt load of \$94 million, as of September, that it cited in its filing with the U.S. Bankruptcy Court in Wilmington, Del.

Those assets include \$2.5 million in cash, \$97.7 million in real estate, \$65.8 million in merchandise, plus \$70 million in "other assets."

Syms said it will begin liquidating in coming weeks. Its stores are expected to close in January.

The liquidation will be yet another blow to shopping-center owners, who are already saddled with empty space from the bankruptcies of big retailers such as Circuit City Stores Inc. and Linens 'N' Things and store closings by chains such as Gap Inc. and Best Buy Co.

Major mall landlords probably won't be hurt too badly, given the relatively small number of Syms and Filene's locations. Among the large publicly traded mall operators, Simon Property Group Inc. has the biggest exposure to Filene's, with five stores in its malls, according to Green Street Advisors.

A Simon spokesman said, "There is strong interest in releasing these spaces at Simon's shopping centers."

Richard Jaffe, a retail analyst with Stifel Nicolaus & Co., said Syms fell in an odd niche in the off-price industry, lacking the scale of large, off-price retailers that could unload excess inventory across hundreds of stores and the cachet of smaller, flash-sale sites that offer temporary bargains and have become an important outlet for high-end brands.

"If I were an off-price, brick-and-mortar discount retailer, I'd look at the flash-sale channel and be concerned," said Ben Fischman, chief executive of flash-sale site Rue La La.

Discounting, meanwhile, has gone mainstream. Fast-fashion retailer Hennes & Mauritz's H&M stores sell jeans for \$29.95, and competitor Inditex Group's Zara chain offers men's suits for less than \$300. High-end department stores like Nordstrom Inc. and Macy's Inc.'s Bloomingdale's are stepping up openings of outlets.

Deanna Kirk, a 46 year old musician in New York, said she wasn't surprised by the bankruptcy filings. Ms. Kirk said she shops at outlet stores like Nordstrom Rack, which she visited just prior to entering a Filene's on Wednesday as she comparison-shopped for bras.

A cashier at a Filene's in New York's Union Square neighborhood said there were employee rumblings about the possibility of a bankruptcy filing because of weaker merchandise, sales and store traffic after the chain was acquired by Syms. "Customers complain that the clothes aren't the same, and that we've become Syms," she said.

Shopper Rich Pascussi said he was surprised Filene's wasn't enjoying the lift the bumpy economy had given other discounters. The 68-year-old retired teacher said he visits Filene's every month for basics and accessories. On Wednesday, he was leaving a New York location with a purchase, though a small one—socks.



**THE WALL STREET JOURNAL**

# Mall Landlords Seen Unscathed By Filene's/Syms Store Closures

By A.D. Pruitt  
Of DOW JONES NEWSWIREs

NEW YORK (Dow Jones)--The shuttering of 46 stores by Filene's Basement LLC and Syms Corp. (SYMS) nationwide won't cause much of a ripple in retail real estate.

The discount retailer Syms and its Filene's subsidiary filed for Chapter 11 on Wednesday and announced plans to close their remaining stores. The filing adds to a growing list of defunct retailers such as Borders Group Inc. (BGPIQ), Circuit City and Linens 'n Things, which all liquidated in recent years. Although still operational, Gap Inc. (GPS) said last month that it plans to close roughly 200 stores in North America over the next two years.

Given the fact the number of Filene's and Syms closures are small scale, major mall landlords probably won't be hurt too badly, analysts say.

The big landlords "own so many properties they don't have to get nervous," said Cedrik Lachance, an analyst with Green Street Advisors, of Newport Beach, Calif. "The overall REIT exposure to Filene's is almost inconsequential."

Among the large publicly traded mall operators, Simon Property Group Inc. (SPG) has the biggest exposure to Filene's with five stores in their malls, according to Green Street. That's fairly minor for Simon, which is nation's largest mall owner with 391 properties in its portfolio.

Lachance noted that Simon has a Filene's in four malls in the Boston metro area and one in its upscale Phipps Plaza mall in Atlanta. Simon will have to be "creative" with re-leasing the vacant spots left at its South Shore Plaza and North Shore Plaza centers in the Boston area because those stores are actually located in the basements of the malls, which are more difficult to access.

But Phipps Plaza is one of the 30 best properties in the U.S. so it should have no problem replacing Filene's, he said.

A Simon spokesman said "there is strong interest in re-leasing these spaces at Simon's shopping centers."

He also said the company has already struck a deal for a replacement tenant for one of the Filene's stores and an announcement is "imminent."

Among other landlords, Green Street notes that Federal Realty Investment Trust (FRT) has two Filene stores located in Queens, New York and Rockville, MD. Kimco Realty Corp. (KIM) has a Filene's as a tenant in a property located on Long Island, New York and a Syms store at a power center called Kendale Lakes Plaza in Miami.

Alexander Goldfarb, a senior REIT analyst with Sandler O'Neill + Partners, said if the leases were older agreements at relatively low rents, "there's an opportunity for the landlord to charge market rents" for new tenants.

"I don't think it's a big deal because any retailer that has a landlord in a well-located centers is going to backfill" these spaces, he said.

-By A.D. Pruitt, Dow Jones Newswires; 212-416-2197; [angela.pruitt@dowjones.com](mailto:angela.pruitt@dowjones.com)



## Deal Journal

### Apparently, Filing for Bankruptcy Is Good for Your Stock Price

By Shira Ovide | November 2, 2011

This never happens. Discount retailers Filene's Basement and Syms today said they are closing their doors forever. And shares of the publicly traded Syms Corp. shot up 27%, to nearly \$9.72 a pop. Huh?

Typically, of course, companies that declare bankruptcy see their stock prices fall to zero, or pretty darn close to zero. MF Global, the brokerage that collapsed into bankruptcy protection on Monday, took the typical route.

The stock was halted on the New York Stock Exchange for a couple of days, then delisted and promptly pushed off to a dark corner of the stock trading world. Today, MF Global's stock dropped to 25 cents in the over-the-counter trading market. MF Global shares are now the plaything of day traders who hope to flip the stock for a quick buck.

But Syms at the end of the day had a stock-market value of \$140.4 million. It's not Exxon's camp of market value, but neither is Syms a penny stock. So what gives?

We'll give you a two-word explanation, (and then a few more): Real estate. Yes, as our colleagues Patrick Fitzgerald and Jacqueline Palank wrote, Filene's and Syms are worth more dead than alive.

Of the \$236 million in assets listed in court filings for Syms, Filene's Basement and related entities, about \$98 million was real estate inventories. That means the value of the company's real estate is more than its debt load of \$94 million.

Fitzgerald and Palank write:

"The company now plans to liquidate those assets, running going-out-of-business sales at its 46 stores and selling off the real estate it owns. It thinks the proceeds will not only be enough to pay creditors in full, but to also provide a recovery to its shareholders, a group that ranks last on the bankruptcy totem pole and often goes unpaid even when a company reorganizes....

As Syms's biggest shareholder, [daughter of company founder] Marcy Syms will pocket the lion's share of the proceeds allotted to equity."

And while shareholders of Syms will do unusually well for investors in a liquidating company, the employees of Syms and Filene's will be out of work once the retailers close up shop for good.



# Filene's Basement To Close Its Doors

by [Tovia Smith](#) | November 3, 2011



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*November 3, 2011*

Filene's Basement, the storied discount store, has filed for bankruptcy and plans to close down all its locations by the new year. Its parent company, Syms Corp., has also filed for Chapter 11.

ROBERT SIEGEL, host: From innovation to liquidation, Filene's Basement is shutting its doors - again. The Boston retailer went bankrupt a couple of years back. A fellow discounter, Syms Corporation, bought it and tried to revive the business, but now they're filing Chapter 11, too. In all, they're closing 46 stores. Here's NPR's Tovia Smith.

TOVIA SMITH: For many Bostonians, the attachment to The Basement, as it's affectionately known, is a deep and visceral one. It's literally like losing a friend.

LELA BURNS: Oh, that's such a bummer. I didn't hear that. That's so sad.

SMITH: As news spread today to shoppers like 35-year-old Lela Burns(ph) at a Newton Filene's Basement, the mood was kind of a cross between a wake and a Black Friday bargain-palooza.

JEAN-PIERRE ONZATI: I just want to see if there's any bargains before it's too late.

SMITH: Jean-Pierre Onzati(ph), a hairdresser in town, couldn't resist getting in on the final markdowns. Even before the store's liquidation, Filene's Basement offered more than just deals, Onzati says. It was an opportunity.

ONZATI: You know, you can go to Filene's Basements. You walk in with regular clothes. You come out with Canali, and you become like one of the super rich.

SMITH: But The Basement's appeal crossed all income brackets.

JANE CLAYMAN: I bought the most beautiful beaded dress that was so exquisitely made, it was unbelievable.

SMITH: And cheap?

CLAYMAN: And cheap. Yeah, really cheap. It was like \$30. It was ridiculous.

SMITH: And you could have paid more if you tried.



CLAYMAN: Yeah. If I wanted to, I could have, but I really didn't see anything I loved as much as that dress.

SMITH: To shoppers like Jane Clayman(ph), part of the pleasure was finding the treasure.

MICHAEL BAVARO: You know, it's sort of like why men go hunting. I mean, they don't really need to kill to put food on the table anymore. It's more or less to have bragging rights and the thrill of the hunt.

SMITH: That's Michael Bavaro, who's produced a documentary about the store called "Voices from the Basement." He says its founder, William Filene, knew his customers well, not only pioneering the now famous automatic markdown system, but also hyping sales like years ago when the store put giant banners on the trucks bringing in Neiman Marcus merchandise.

BAVARO: It's sort of like when you see the circus coming to town and there's just truck after truck of circus wagons and animals and it was like here's comes the goods. So people waited and then they would rush down and be the first ones in line and they literally did stampede through the doors.

(SOUNDBITE OF YELLING)

SMITH: One of Filene's most famous events was its bridal gown super sale. There was a no-holds-barred competition for designer dresses marked down to \$100 or \$200. But as more stores got into the discount business, Filene's found itself in a brutal competition for shoppers, like 40-year-old Nada Usif(ph).

NADA USIF: Yes. I just came from TJ Maxx.

SMITH: Did you get a bargain there?

USIF: The best prices are at TJ Maxx. That's where I get all my bargains.

SMITH: But now you're coming to check here?

USIF: Actually, I just like to check all of them. I'm also going to Marshall's.

SMITH: Experts say Filene's Basement could never match the buying power of its bigger rivals and it never seemed to recover from the closing four years ago of its flagship store in downtown Boston, which many saw as the heart and soul of the brand.

ADRIENNE MCGRATH: And it hasn't been the same. Sorry. It just hasn't.

SMITH: 73-year-old Adrienne McGrath(ph) says it's sad to see Filene's Basement close. McGrath says it's a huge loss, but one she already mourned years ago. Tovia Smith, NPR News, Boston.

(SOUNDBITE OF MUSIC)

SIEGEL: This is NPR News.



Kim Kardashian Lindsay Lohan Eli Manning Bart Scott

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## News

## Page Six

## Sports

## Entertainment



- On the run
- Saved flamingo back in the pink



**I'm sorry**  
Kim Kardashian jetted to estranged husband Kris



**Giant help**  
After the Giants came back to beat the Patriots 24-20, Osi



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# The Syms saga: From rags to riches to rags

By JAMES COVERT

Last Updated: 4:09 AM, November 3, 2011

Posted: 12:28 AM, November 3, 2011

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Syms and Filene's Basement are preparing for their final markdowns.

The tattered off-price clothing chains -- whose cluttered stores have struggled to compete since their botched merger two years ago -- have filed for Chapter 11 and will stage liquidation sales through the holidays before closing for good early next year.

"This has been a challenging time," said Syms CEO Marcy Syms, the daughter of the late off-price pioneer Sy Syms, who founded the retailer in 1959.

The filing marks the demise of two icons of retail.

In late-night TV pitches that began in 1974, **Sy Syms** became famous for his slogan, "An educated consumer is our best customer."



NEWSDAY FILE

FAMILY AFFAIR: Marcy Syms, and her father, Sy Syms, check out the goods at their downtown store during the early '90s.

Meanwhile, 102-year-old Filene's had built a following after **World War II** by staging deep discounts on bridal gowns that spurred an annual "Running of the Brides."

While both retail nameplates had seen better days, yesterday's bankruptcy filing surprised many suppliers, who noted that Syms had been mostly current on its payments for deliveries. According to one source, the filing was made under pressure from asset-based lender Bank of America.

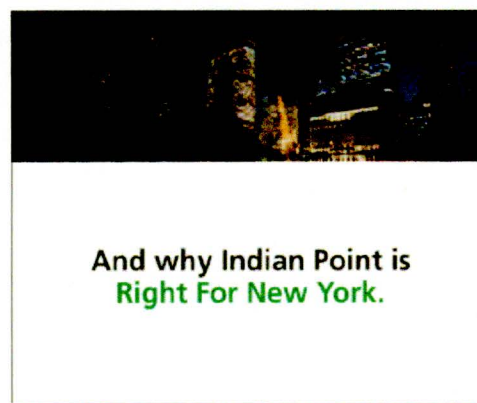
"The bank figured that holding going-out-of-business sales would be more lucrative during the holidays than if they waited until January," the source told The Post.

In an odd twist, news of the bankruptcy sent Syms shares soaring nearly 27 percent, gaining \$2.05 to close at \$9.72. That's because investors are betting that a sale of the retailer's **real estate** could reap a bonanza, as the company has little debt despite its persistent losses.

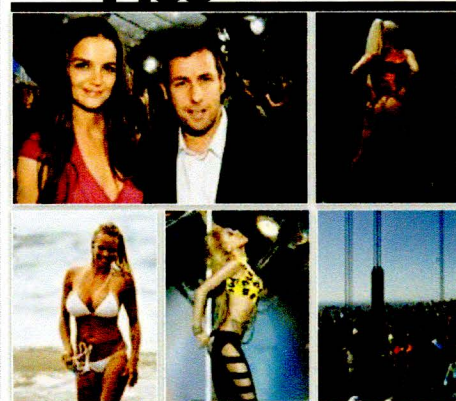
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Still, some insiders raised doubts about the true worth of the real estate, whose most valuable locations include its downtown flagship at 42 Trinity Place.

Syms, which had hired an investment bank recently to explore its strategic alternatives, including a sale, drew a handful of bids from real-estate firms and rival retailers, but "none were high enough to give the board comfort that shareholders would approve," according to a source close to the talks.

Marcy Syms, who combined the two brands in 2009 when she scooped Filene's Basement out of bankruptcy for \$63 million, blamed the planned shuttering on "the worst economic downturn in our lifetimes," as well as stepped-up competition.

While upscale chains like Saks, Nordstrom and Neiman Marcus have been rolling out their own off-price stores to clear excess goods, luxury discount sites like **Gilt Groupe** and Rue La La have fueled growth by paying top dollar for the most desirable overstock fashions.

That created problems as Marcy Syms tried to continue her father's scavenging strategy at Filene's Basement, whose customers had been accustomed to bargains on better fashions from Europe.

"Marcy insisted on waiting until the end of the season and buying what was left over for cents on the dollar," according to one former exec. "If you wanted to have a cashmere program, you couldn't buy anything up front, so you ended up with bad colors and odd sizes."

In recent months, Marcy Syms had handed day-to-day control of the company to turnaround firm Alvarez & Marsal, while the investment bank Rothschild searched for a buyer.

At the same time, activist investment firm Esopus Creek Advisors this year sued Syms, demanding books and records that might give evidence of potential mismanagement.

Indeed, the bankruptcy filing caps several tumultuous years for Syms investors, who revolted in 2008 when the off-price retailer tried to delist its shares.

At the time, The Post had cited investor concerns that the company was trying to take itself private on the cheap -- a suspicion that appears to persist, given yesterday's run-up in the shares.

In the face of these concerns, Syms execs had repeatedly denied any nefarious motive.

"I always read The Post," Sy Syms, who died in November 2009, told The Post in an interview after a raucous July 2008 shareholder meeting. "But I never believe it."

[jcovert@nypost.com](mailto:jcovert@nypost.com)

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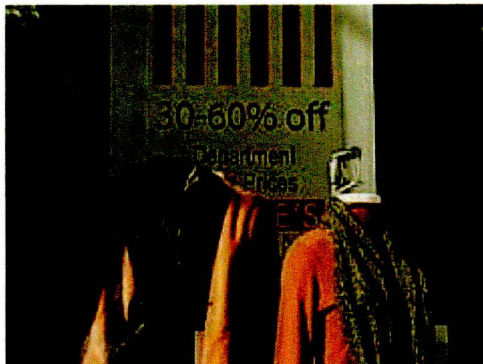
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# Eulogy For A Basement

## Memories About A Loss That Matters

Ted Reinstein | November 4, 2011

**BOSTON** -- My favorite memory of Filene's Basement? That's easy: Watching half-naked women wriggle in and out of their clothes.



Discount retailer Syms Corp. and its subsidiary Filene's Basement have filed for Chapter 11 bankruptcy protection and plan to liquidate their operations.

'Course, I was only six or seven at the time, and those women frequently included my mother or grandmother, so let's move on to other memories, shall we?

Years later, I once grabbed a tie from a bin, held it up against my shirt, and heard a man's voice with a southern accent say, "I like that one."

It was former President Jimmy Carter.

(I was such a focused Basement shopper, I'd failed to see the commotion around him as he campaigned in 1976. And I still have the tie.)

Alas, memories will soon be all we have left of Filene's Basement. The Basement has [filed for bankruptcy protection](#). It's done so twice before, but this time looks like the final chapter in what's been a long and legendary story.

The Basement was begun in 1909 as a brilliant idea: A place for Filene's Department Store above it to sell off surplus goods and clothing. And for decades, the Basement thrived.

Yes, it was barely-controlled chaos down there. Both men's and women's clothing, from shirts and shoes, to dresses and underwear all lay in huge mounds in overflowing bins across the entire subterranean floor space. This was truly no-frills shopping -- signs were hand-lettered with magic marker; the lights were ugly fluorescents; the floor was dusty and usually littered with fallen garments.

And no one cared. Instead, the Basement became a cherished Boston institution.

Who didn't love seeing pictures from the Basement's annual "Running of the Brides," where Boston became Pamplona, and charging bulls were replaced by charging women?



What drew people was the thrill of the hunt, the automatic markdown system, and the near-certainty of the occasional steal. I once bought a \$700 Barney's suit for \$200 bucks -- and looked over my shoulder all the way out the door, sure there must have been some mistake.

Others have written eloquently about how extraordinarily egalitarian and democratic the Basement was. To say that literally everyone shopped there was not hype. It was true. On any given visit, it was common to see little old ladies, blue-collar guys in hard hats on their lunch breaks, and white-collar types from the financial district.

A stone's throw as well from Beacon Hill and City Hall, it was no surprise to see a governor like Mike Dukakis or a mayor like Ray Flynn or Tom Menino picking out a suit or tie.

By 1990, though, it all began to change.

The Basement separated from the Filene's department store chain. While the downtown Basement store remained, suburban satellite Basement stores opened as well. The discounts were there, but they just weren't the same. Other national discount retailers -- Marshall's, TJ Maxx -- created a more challenging competitive landscape.

In 2007, the downtown Basement store closed. There was hope it would return as part of a larger redevelopment; a giant hole in the ground at Downtown Crossing is all that's left of that failed dream.

In recent years, the remaining Basement stores were owned by the Syms Corporation. Now both entities will apparently do a death spiral into bankruptcy court together.

It was never a good match, really. Their respective slogans, in fact, were a perfect example of the poor fit. Syms' slogan was nothing but marketing malarkey all tricked out in corporate-speak: "An educated consumer is our best customer."

Blah, blah, blah. The Basement's? "I just found a bargain!"

And I just got depressed all over again.

I'm not enough of an economist, retail expert or business analyst to fully understand all the various forces that played into the Basement's demise. But I'm smart enough to know that something that was once rare and wonderful is being lost for good.

You'll read and hear a lot about how the Basement failed to compete in a changed marketplace. I'm sure there's truth to that. You'll read and hear even more about how the huge online retailers finally nailed the Basement's coffin shut. I'm certain of that.

Way it is, right?

Perhaps. But there should be no pleasure in that.

I'm no luddite, nor do I insist on brick and mortar. Like most people, I shop online, too. But Amazon, Zappos and Netflix add nothing to a community. The Basement did. So do bookstores, most of which are rapidly joining the ranks of the deceased along with the Basement.

These are places you have to get up off your ass and actually go to. You have to engage other people, too. But we also get something beyond the product we walked in the door for. These places represent something real and vital and tangible for a community, as well as jobs and physical anchors in neighborhoods that still depend on that.

I love progress, I love convenience. But I hate that we can't find a way between those things to sustain a slight throw-back like Filene's Basement.

You can order online all you want. But you can't buy what the Basement represented.

# Brooklyn Daily Eagle

## No Syms/Filene's Basement for Fulton Mall?

by Brooklyn Eagle ([edit@brooklyneagle.net](mailto:edit@brooklyneagle.net)), published online 11-04-2011

**DOWNTOWN BROOKLYN** — With the Syms Corp. and its Filene's Basement affiliate filing for bankruptcy yesterday, the Fulton Mall could possibly lose one of its major coming attractions.

According to a press release published on Businesswire.com issued early Wednesday, the combined firm has filed "voluntary petitions under Chapter 11 of the U.S. Bankruptcy Code" in the District of Delaware.

Following the liquidation of its stores, a process that is expected to run through approximately January, it will close all existing stores, according to the statement. This would include three stores it has in Manhattan and, obviously, it will back out of its deal to open its first Brooklyn store in Downtown Brooklyn.

As the Eagle reported a year ago, Filene's/Syms had leased 40,000 square feet of space at street level and below grade in the five-story, 250,000-square-foot building at 490 Fulton St., corner of Bond Street.

The owners of that building, Isaac and Stanley Chera and Eli Gindi of Crown Acquisitions, could not be reached as of press time yesterday.

In its published statement, Syms CEO Marcy Syms blamed the bankruptcy filing on the increased competition from large department stores that now offer the same brands at similar discounts and a proliferation of private label discount chains — combined with the worst economic downturn in our lifetimes."

Syms/Filene's Basement will be jointly administered during the bankruptcy, she said, and authorization is being sought to conduct going-out-of-business sales and approval for Cushman & Wakefield to assist in the sale of company-owned real estate.

Syms was founded by Sy Syms in 1959; Filene's Basement by William Filene in 1909 and was acquired by Syms in a bankruptcy auction in 2009. Collectively, they own and operate 46 apparel stores.

The schedule for store closings will be determined as the merchandise is liquidated, according to the published statement.





# Syms store in Tampa will close after Christmas

By Mark Albright, Times Staff Writer

In Print: Saturday, November 5, 2011 The one Syms store in Tampa will close as a result of Syms Corp. filing for bankruptcy.

The off-price apparel retailer that proved unable to digest its 2009 acquisition of Filene's Basement has chosen to close all 46 of its stores. That includes the one at 3251 W Hillsborough Ave. in Tampa.

Founded 52 years ago by one-time radio sports broadcaster Sy Syms as an inexpensive business suit emporium near Wall Street in New York, the Secaucus, N.J., chain was one of the pioneers of the off-price discount clothing industry.

Syms himself recorded the ads that end with the slogan, "An educated consumer is our best customer."

The company filed for Chapter 11 bankruptcy this week and said stores will close after the Christmas season.

# The Boston Globe

Retail dead spot on Boylston awaits transformation

Struggling stretch of Boylston awaits new tenants

By Casey Ross | NOVEMBER 05, 2011

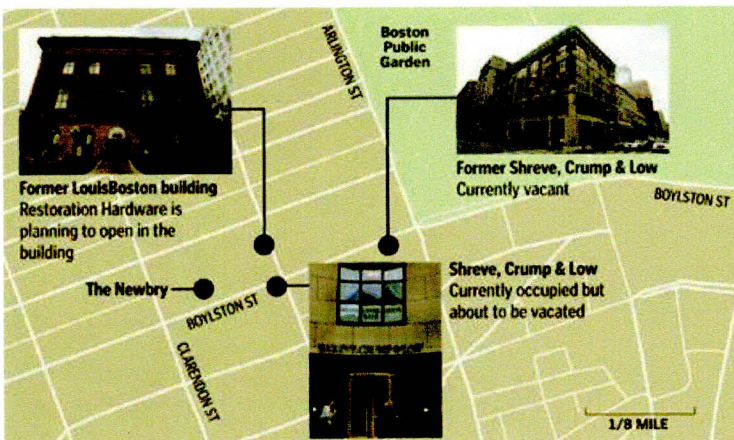


KAYANA SZYMCZAK FOR THE BOSTON GLOBE

Bankruptcies of Filene's Basement and Borders bookstore have resulted in vacant storefronts along mostly thriving Boylston Street.

Just a few years ago, The Newbry building in Boston's Back Bay was at the center of a miniretail renaissance, boasting several new stores that enlivened a once-drab pocket of Boylston Street.

That, of course, was before the economy went into a downward spiral.



SOURCES: Google; photos by Globe staff

PATRICK GARVIN/GLOBE STAFF

Today, the Art Deco building, formerly the home of New England Mutual Life Insurance Co., is facing the prospect of large, vacant storefronts following bankruptcies of Filene's Basement and Borders bookstore.

So while the rest of Boylston Street is thriving, the block between Berkeley and Clarendon is still by comparison; two of the major properties in this stretch - The Newbry and the old LouisBoston - are covered in scaffolding as their owners prepare for sweeping transformations.

The former LouisBoston is slated to become a new home for furniture retailer Restoration Hardware, but the building will remain empty for months while its owners

complete repairs and renovations. Across the street, jeweler Shreve, Crump & Low is preparing to decamp from 440 Boylston St. for Newbury Street. Meanwhile Shreve's former home, a block down Boylston at the corner of Arlington Street, remains empty, the property's owner planning to tear it down and put up a midrise office building.

Retail specialists said the rapid-fire turnover is a momentary setback that has little to do with the underlying real estate on Boylston, which they say is bound to attract new stores in the coming months.



"I view it more as a transitional period than a tough time for that area," said Michael Tesler, an executive with Retail Concepts, a strategy and consulting firm. "It may take a little time, but they'll probably get better quality replacements."

The Newbry and former LouisBoston buildings boast stately architecture and prominent locations in the bustling Back Bay. The Newbry, which occupies most of the block bounded by Berkeley, Boylston, Clarendon, and Newbury streets, gets plenty of foot traffic from the offices on its upper floors, but the loss of Borders and Filene's Basement will leave a gaping hole in its retail facade along Boylston. Both stores opened with considerable fanfare in 2006. The broker handling the retail spaces wasn't available to comment. One of the challenges will be to find a couple of tenants to occupy the large spaces on Boylston or to break them into smaller spaces to attract multiple retailers.

Some in the district said the turnover presents an opportunity to shake up the area's retail mix and make improvements to help The Newbry stand out as an attractive destination.

"To me what's important is to have vibrant brands that fully maximize the space and attract loyal clientele," said Meg Mainzer-Cohen, president of the Back Bay Association, which represents businesses in the district. She said The Newbry has suffered from small retail signs on its facade that do little to attract shoppers.

Tesler said there is no shortage of configurations that could work for the property, which sits in a district with popular retailers such as Crate & Barrel, The Tannery, and the Apple Store, as well as new restaurants such as Towne Stove and Spirits and the tapas lounge BarLola.

"There are a lot of upscale food emporiums, and the area could also use a great local food market," he said, adding that there are also several clothiers who might be willing to lease a large chunk of space in the area. "Maybe the time is right for a Nordstrom or Bloomingdales. I think both brands belong in Boston."



# Bloomberg Businessweek

## Syms, Filene's Win Approval to Use Lenders' Cash Collateral

*By Michael Bathon* | November 06, 2011, 10:15 PM EST

Nov. 4 (Bloomberg) -- Discount retailers Syms Corp. and its Filene's Basement LLC unit won bankruptcy court approval to use cash representing lenders' collateral to help fund operations as they prepare to liquidate their assets.

The case is In re Filene's Basement LLC, 11-13511, U.S. Bankruptcy Court, District of Delaware (Wilmington).





## Dippin' Dots, Spring 59, Syms, Madoff, MF Global: Bankruptcy

November 07, 2011

(This report contains items about companies both in bankruptcy and not in bankruptcy. Updates with S&P default-rate study in Statistics, MF Global-FBI inquiry in MF Global Special Section and Sprint Nextel in Downgrades.)

Nov. 7 (Bloomberg) -- Dippin' Dots Inc., a maker of ice cream using liquid nitrogen, filed for bankruptcy protection from its creditors.

The company Nov. 3 listed assets \$20.2 million and debt of \$12 million in Chapter 11 documents in U.S. Bankruptcy Court in Paducah, Kentucky, where it's based. Revenue fell from \$33.9 million in 2009 to \$26.7 million last year, the company said.

The company asked U.S. Bankruptcy Judge Thomas H. Fulton to let it use cash held as collateral for an \$11 million loan from Regions Bank of St. Louis.

Without using the collateral, Dippin' Dots "will have no ability to operate," the company said in court papers. It didn't file an explanation of the bankruptcy.

Founded in 1988 by microbiologist Curt Jones, the company makes ice cream in tiny pellets that are flash frozen using liquid nitrogen, according to the Dippin' Dots website. The ice cream is sold in franchised stores, festivals and theme parks.

The case is 11-51077, U.S. Bankruptcy Court, Western District of Kentucky (Paducah).  
New Filings

Spring 59 Associates Files for Chapter 11 in New York

Spring 59 Associates LLC filed for protection from creditors under Chapter 11 in bankruptcy court in Manhattan Oct. 27, according to court files.

The debtor declared as much as \$10 million in assets and \$50 million in debts. The Spring Valley, New York-based company's largest creditors, according to court papers, is Sun Life Assurance Co. of Canada, with a claim of \$9.86 million, of which \$7 million is secured and which the debtor described as "disputed."

The claim relates to a mortgage on property located at 175 Route 59, Spring Valley, New York.

The case is In re Spring 59 Associates, 11-br-24115, U.S. Bankruptcy Court, Southern District of New York (Manhattan).

Other Updates

BNP Paribas Unit Sued for \$1 Billion Over Madoff Redemptions

A BNP Paribas SA unit was sued for almost \$1 billion by the trustee liquidating Bernard Madoff's former investment firm over redemptions by one of the con man's feeder funds that were transferred to the bank.

The Cayman Islands-based feeder fund, Harley International Ltd., moved about \$975.5 million to BNP Paribas Arbitrage, trustee Irving Picard said in a complaint filed Nov. 3 in U.S. Bankruptcy Court in Manhattan. Picard said he won a default judgment for more than \$1 billion against Harley last year but hasn't recovered any of that money.

Investors lost about \$19 billion in principal in the Madoff Ponzi scheme, Picard has said. JPMorgan Chase & Co. on Nov. 1 won dismissal of \$19 billion in claims by Picard, who sought common-law fraud damages on behalf of Madoff customers, claiming the bank aided the fraud.



"BNP Paribas has strong defenses to these claims, believes the complaint is meritless, and intends to defend vigorously against the claims asserted by the trustee," Cesaltine Gregorio, a spokeswoman for Paris-based BNP Paribas, said in an e-mail Nov. 4.

The case is *Picard v. BNP Paribas Arbitrage*, 11-2796, U.S. Bankruptcy Court, Southern District of New York (Manhattan).

#### Lehman Nears Plan Voting Deadline With \$160 Billion Backing

The Lehman Brothers Holdings Inc. payout plan nears its voting deadline with the backing of creditors holding more than \$160 billion in claims, probably enough to implement it, according to an executive at the defunct bank.

Lehman, which filed the biggest bankruptcy in U.S. history in September 2008, is proposing a \$65 billion liquidation plan to pay what Daniel Ehrmann, its head of international operations, estimates are about \$370 billion in claims. The voting deadline was scheduled for 4 p.m. on Nov. 4.

The final vote tally will be filed in Manhattan bankruptcy court before a Dec. 6 hearing to confirm the proposal, Lehman has said.

Lehman has added \$20 billion of support since September by settling disputes with affiliates and some of its largest creditors, and the company isn't aware of any entity or class of creditors that can veto approval of the plan, Ehrmann said in an Oct. 26 interview.

Lehman speeded its effort to get out of bankruptcy in July, after being mired in disputes as it neared three years in Chapter 11 proceedings.

Lehman filed for bankruptcy with \$613 billion in debt. Disputes over claims between Lehman and some banks remain.

The case is *In re Lehman Brothers Holdings Inc.*, 08-13555, U.S. Bankruptcy Court, Southern District of New York (Manhattan).

#### Briefly Noted

**Syms, Filene's Win Approval to Use Lenders' Cash Collateral** Discount retailers Syms Corp. and its Filene's Basement LLC unit won bankruptcy court approval to use cash representing lenders' collateral to help fund operations as they prepare to liquidate their assets.

**Syms Corp. and Filene's filed Nov. 2 for bankruptcy protection.** It is the third time Filene's, the century-old clothing chain, has sought protection from creditors.

**The company listed assets of \$236 million, including \$97.7 million in real estate inventories, and liabilities of \$94 million, according to a statement filed with the Chapter 11 petition in U.S. Bankruptcy Court in Wilmington, Delaware.**

**Syms, which operates 46 stores under Filene's Basement and its namesake brand in the U.S., said it plans to liquidate the business during the holiday season. The company said it received no "viable bids" from anyone willing to operate the business.**

**The case is *In re Filene's Basement LLC*, 11-13511, U.S. Bankruptcy Court, District of Delaware (Wilmington).**

#### Statistics

##### U.S. Corporate Default Rate Expected to Rise Next Year, S&P Says

The U.S. corporate trailing 12-month speculative-grade default rate is expected to rise to 3.1 percent by September 2012 from 1.9 percent at the end of September 2011, according to an article published Nov. 4 by Standard & Poor's Investors Services Global Fixed Income Research.

The article discusses investor confidence and prevalence of downgrades.

Special Section: MF Global Bankruptcy

##### Corzine Resigns From MF Global Days After Bankruptcy Filing



Jon Corzine resigned as chairman and chief executive officer of MF Global Holdings Ltd., the broker-dealer that filed the eighth-largest bankruptcy in U.S. history last week and is being probed by regulators.

Bonds of MF Global fell after the resignation, according to Trace, the bond-price reporting system of the Financial Industry Regulatory Authority.

The departure of Corzine from MF Global won't affect the "orderly liquidation" of the company's brokerage, trustee James Giddens said in a statement through Kent Jarrell, a spokesman.

Corzine, 64, the former New Jersey governor and co-CEO of Goldman Sachs Group Inc., quit all of his posts, New York-based MF Global said Nov. 4 in an e-mailed statement. He won't seek severance pay, the company said. Corzine said in a separate statement that he offered his resignation voluntarily.

Corzine's resignation came four days after the bankruptcy filing as the company's bets on European sovereign debt rattled investors. U.S. regulators are investigating about \$633 million missing from MF Global customer accounts, a person briefed on the matter said Nov. 3. The Commodity Futures Trading Commission sent a subpoena seeking information about the money to MF Global's auditor, PricewaterhouseCoopers LLP, the person said, asking not to be named because the matter isn't public.

While Corzine decided to resign, board members had indicated to him in discussions last week that he should consider stepping down, according to a person with direct knowledge of the talks who declined to be identified because they weren't authorized to speak publicly. The board's support for Corzine eroded once talks to sell the company collapsed, the person said.

Corzine sought to transform MF Global into a mid-size investment bank after arriving there in March 2010. He increased the firm's risk and used its own money to trade, including investments in European sovereign debt.

As of Oct. 25, MF Global owned \$6.3 billion of Italian, Spanish, Belgian, Portuguese and Irish debt, the company said at the time in a presentation. Concerns that it might lose money on the holdings amid Europe's debt crisis led to credit downgrades, margin calls and demands from regulators to boost capital before the bankruptcy filing.

#### MF Global's Asia Liquidator Said to Be Close to Finding Buyer

MF Global Holdings Ltd.'s Hong Kong units' liquidators received as many as 40 offers for the firm's operations in the Asia Pacific and a buyer could be identified over the weekend, KPMG International's China affiliate said.

A KPMG spokeswoman who declined to be identified, said three KPMG partners appointed as provisional liquidators for the New York-based broker-dealer received more than 30 and as many as 40 bids from MF Global's former competitors and regional financial institutions. KPMG is trying to sell the firm's Asian assets as a single unit, the spokeswoman said.

A sale could be completed in two weeks, the spokeswoman said, if a buyer is identified this weekend. The offers were previously reported by Reuters.

#### MF Global's Missing Client Funds Said to Be at JPMorgan

Customer funds missing from bankrupt brokerage MF Global Inc. have been located in a custodial account at JPMorgan Chase & Co., according to two people with knowledge of the matter.

The account contained a total of \$2.2 billion as of Oct. 31, which includes both the firm's own money and customer funds, according to one of the people, who declined to be identified because the information is private. MF Global's customer funds had a shortfall of \$633 million, or more than 11 percent, out of a segregated fund requirement of about \$5.4 billion, regulators said yesterday.

#### MF Global Brokerage Can Probe, Not Share Results With Parent

Officers and directors of MF Global Inc. can be subpoenaed by a liquidator in a probe of possible involvement in the commingling of customer accounts.

U.S. Bankruptcy court judge Martin Glenn said at a hearing Nov. 4 that the brokerage trustee, James W. Giddens, can share documents and depositions with the Securities and Exchange Commission and the Commodity Futures Trading Commission. The trustee must probe management's possible involvement without interference from the parent company, Glenn said.



Asking Glenn to approve the subpoenas yesterday, Giddens said he needed to find out swiftly if fraud or misconduct led to the bankruptcy and what lawsuits he might bring to recover customers' money.

The subpoenas grant the authority to demand documents and question the brokerage firm's officers, directors, lenders and trading partners, according to the trustee's court filing.

#### MF Global Holdings Said to Be Subject of FBI Investigation

MF Global Holdings Ltd., which filed for bankruptcy protection six days ago, is the subject of a formal FBI investigation opened late in the past week, a person familiar with the matter said.

The inquiry, in which Federal Bureau of Investigation agents are working with U.S. prosecutors, is in its preliminary stage, and no information requests had been issued as of the afternoon of Nov. 4, said the person, who declined to be identified because the matter isn't public. The decision to begin the probe was made that day or late Nov. 3, the person said, adding that reports of an earlier investigation were wrong.

Former New Jersey governor Jon Corzine, who ran MF Global, resigned from the firm on Nov. 4 and has retained a defense lawyer, according to another person familiar with the matter.

J. Peter Donald, a spokesman for the FBI in New York, and Ellen Davis, a spokeswoman for Manhattan U.S. Attorney Preet Bharara, declined to comment. The person familiar with the FBI's MF Global probe didn't specify its scope or focus.

Corzine retained Andrew Levander, a partner at the law firm Dechert LLP, to represent him in the fallout from MF's collapse into bankruptcy, according to the person, who declined to be identified because the matter isn't public. Levander didn't return an e-mail seeking comment.

#### Downgrades

##### Sprint Nextel's Corporate Credit Rating Downgraded by S&P

Sprint Nextel Corp. had its corporate credit rating downgraded to B+ from BB- yesterday by Standard & Poor's Ratings Services.

The ratings company also lowered "all issue-level ratings" of Sprint Nextel and removed the company from credit watch negative, S&P said in a statement.

S&P predicts "higher capital spending, greater and more persistent free operating cash flow deficits, and higher leverage" than previously expected, according to the statement.



## Fulton' mauled by Filene's bankruptcy

BY KATE BRIQUELET | NOVEMBER 7, 2011



Community Newspaper Group / Colin Mixson

Filene's Basement will not be moving into this Fulton Mall building.

The Fulton Mall was dealt a heavy blow last week after plans for a major retailer fell through — but Downtown boosters are still bullish on the strip's renaissance.

Filene's Basement — a depot for cut-price designer goods — announced that it would close all of its 46 stores, dashing plans for the first Brooklyn location slated for the shopping mall near Bond Street.

The bad news, however, didn't faze city officials, who point to a slew of upmarket shops that are moving in over the next year — including Shake Shack, H&M and Express.

"Fulton Mall has long been one of the most-desired retail locations in America," said Michael Burke, interim president of the Downtown Brooklyn Partnership. "The bankruptcy is unfortunate, but we are confident that many other major retailers will make Fulton Street their home."

The Fulton Mall wasn't always such a hot-ticket corridor. In recent years, new and higher-end development has replaced low-end shops that were a staple of the once rundown strip.

The future Filene's building — across from Albee Square and the [long-stalled City Point development](#) — has two other tenants on tap: Planet Fitness on the second floor and an Express on the ground floor, launching by summer 2012.

Long Island University moved dorms into the top floors of the building in September — harboring a built-in audience for a future retail tenant.

As such, some Fulton Mall regulars were disappointed that Filene's Basement won't be part of the retail revival.

"Filene's would have fit in here," said Debbie Lyons, who works nearby as a dental assistant. "It has the family atmosphere, that's what I like about it. What are they going to use it for now?"

Good question. Representatives from Crown Acquisitions, [which bought the property in 2010 for \\$60 million](#), would not comment.

# MarketWatch

PRESS RELEASE

Nov. 8, 2011, 8:30 a.m. EST

## Syms Corp Stock to Be Delisted



SECAUCUS, N.J., Nov 08, 2011 (BUSINESS WIRE) -- Syms Corp **SYMS +2.32%** ("the Company") said today that its stock will be delisted as of November 15, 2011 and that NASDAQ will file a Form 25-NSE with the Securities and Exchange Commission, which will remove the Company's securities from listing and registration on the NASDAQ. This decision by NASDAQ comes following the Company's announcement on November 2, 2011 that it and its subsidiaries filed petitions for protection under Chapter 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware.

The Company's common stock may not be immediately eligible to trade in the "Pink Sheets." The Company's common stock may become eligible if a market maker makes an application to register in and quote such securities in accordance with SEC Rule 15c2-11 (a "Form 211"), and such application is cleared. Only a market maker, not the Company, may file a Form 211.

The Company will continue to file periodic reports with the SEC pursuant to the requirements of the Securities Exchange Act of 1934, as amended.

A copy of the 8K filed by the Company with the SEC can be found at [www.syms.com](http://www.syms.com) and at [www.kccllc.net](http://www.kccllc.net). Additional information and court documents related to the bankruptcy filings can also be found at [www.kccllc.net](http://www.kccllc.net).

The Company and its wholly-owned subsidiary Filene's Basement, LLC collectively own and operate 46 "off-price" apparel stores located predominantly on the east coast of the United States under the "Syms" name (which, together with co-branded Syms/Filene's Basement stores, are owned and operated by the Company) and the "Filene's Basement" name (which are owned and operated by Filene's Basement, LLC).

SOURCE: Syms Corp





## **Filene's, Syms win cash collateral use**

by [Aviva Gat](#) | Published November 7, 2011 at 2:01 PM

Discount retailer Filene's Basement LLC got everything it bargained for during its first day in bankruptcy court.

Judge Kevin J. Carey of the U.S. Bankruptcy Court for the District of Delaware in Wilmington on Nov. 4 approved all of Filene's first-day motions, including requests to use cash collateral, continue using prepetition bank accounts, honor customer practices and pay prepetition wages and taxes.

Carey also approved a motion for joint administration of Filene's case with those of parent Syms Corp. and affiliates Syms Clothing Inc. and Syms Advertising Inc.

Carey is scheduled to convene a final hearing on the cash collateral motion on Nov. 22.

Discount shoe retailer DSW Inc. had objected to Filene's use of cash collateral, on the grounds that the proposed order and related budget did not protect its ownership interest in certain inventory under a consignment agreement. Filene's and DSW are party to a supply agreement dated Jan. 30, 2005, under which DSW provides merchandise for Filene's to sell. Filene's then gets to keep 26.5% of the proceeds from all of DSW's merchandise sold in its stores. According to DSW's objection, Filene's owed \$370,000 to DSW under the agreement as of the Nov. 2 petition date.

Carey's order addresses DSW's concerns by stating that the vendor's rights to its claim are reserved in their entirety.

Filene's is scheduled to appear in court on Nov. 15 to seek approval to retain a joint venture of Gordon Brothers Retail Partners LLC and Hilco Merchant Resources LLC to conduct going-out-of-business sales at all Filene's and Syms locations.

Filene's had hired Gordon Brothers on Oct. 12 to conduct a wind-down of five stores but has since decided to close all locations.

According to the Nov. 2 motion, the debtor was very reluctant to conduct the store closing sales but decided it is the only realistic course of action.

Filene's had been looking for a going-concern buyer for more than five months before it decided to stop the search so it could commence the liquidation before "Black Friday,"

the day after Thanksgiving, when large crowds are expected to take advantage of the sales.

The debtor said proceeds from the liquidation and Syms' real estate portfolio should be sufficient to provide a dividend to Syms' shareholders.

Filene's is a nationwide bargain store that started in the basement of Boston department store Filene's, where old ladies often fought over marked-down clothing or hid merchandise in hopes that it would be further discounted. The store, whose slogan is "where bargains were born," is also famous for its annual Running of the Brides event.

Syms is also known for its bargains, thanks to its throaty founder and spokesman, the late Sy Syms, and his oft-repeated motto that "an educated consumer is our best customer." His daughter Marcy now runs the discount seller of clothing.

Syms acquired Filene's during the company's second bankruptcy stay for \$64.4 million on June 18, 2009.

Filene's thus is now in its third bankruptcy, but this time the store will liquidate, along with its parent.

Filene's first filed for Chapter 11 on Aug. 28, 1999. Then known as Filene's Basement Corp., the company was bought on March 18, 2000, by Value City Department Stores Inc. for \$15 million in cash and \$74 million in assumed debt. (Value City's new parent, Value City Holdings Inc., later commenced its own bankruptcy on Oct. 26, 2008, and liquidated.)

Filene's then filed its second petition, as Filene's Basement Inc., on May 4, 2009, with plans for another sale. During the second case, Syms purchased Filene's in a deal that included leases for 23 Filene's Basement locations as well as associated inventory, fixed assets and equipment; a distribution center in Auburn, Mass.; and certain other contracts, intellectual property and trade names.

According to a declaration by Syms CFO Gary Binkoski, the companies could not realize the synergies anticipated during the 2009 acquisition, which Syms then believed would lead to cost savings for both chains. Binkoski is a senior director of Alvarez & Marsal Holdings LLC and was appointed as Syms' CFO in July.

The debtors were also hurt by the economic downturn and intense competition from other discount stores and retailers, court papers show.

Collectively, the companies own and operate 46 stores. Syms also owns a facility in Secaucus, N.J., which serves as both companies' corporate offices.

Syms is publicly traded over the Nasdaq stock exchange under the ticker SYMS.



As of the petition date, the Secaucus company had 14.5 million outstanding common shares.

On Nov. 4, the stock closed at \$9.30 per share, up from \$7.67 the day before Syms filed for bankruptcy.

As of September, Filene's Basement and Syms had \$236 million in assets, comprising \$2.5 million in cash, \$97.7 million in real estate, \$65.8 million in merchandise and \$70 million in other assets. Their liabilities totaled \$94 million.

Filene's and its debtor affiliates all filed their Chapter 11 petitions on Nov. 2.

Mark S. Chehi, Jay M. Goffman, Mark A. McDermott, David M. Turetsky, Nancy A. Lieberman and Morris J. Kramer of Skadden, Arps, Slate, Meagher & Flom LLP are debtor counsel.

Bernard Douton of Rothschild is Filene's investment banker, and Alvarez & Marsal is its financial adviser.

Brett D. Fallon of Morris James LLP and Lee D. Powar, Nancy A. Valentine and Christopher W. Peer of Hahn Loeser & Parks LLP represent DSW.

# THE BALTIMORE SUN

## Filene's Basement to close its Md. stores, lay off 68

By [Jamie Smith Hopkins](#) | November 7, 2011

[Filene's Basement](#) warned state regulators Monday that it expected to close its Baltimore and Rockville stores in January, laying off 68 people.

The discount clothing retailer and its parent, [Syms Corp.](#), filed for bankruptcy protection last week and asked for court approval to liquidate their assets.

Filene's Basement told the state Department of Labor, Licensing and Regulation that layoffs would affect 31 employees at its [Inner Harbor](#) store and 37 employees in Rockville. Both locations are expected to shut down Jan. 9.



# HUDSON REPORTER

## Secaucus-based Syms to close

Nov 07, 2011

**SECAUCUS AND BEYOND** -- Secaucus-based Syms Corp. and its subsidiary, Filene's Basement LLC, filed for Chapter 11 bankruptcy protection last week, according to news reports. The retailer experienced significant operating losses over the past two years and could not find a buyer after going up for sale last May.

Syms expects to close in January. It will liquidate assets and sell its inventory and real estate in the coming weeks. The company has 2,500 employees and 46 stores. The company first opened its doors in 1959.

# SFGate

## Syms, Filene's Basement Seek to Liquidate in Bankruptcy

Sophia Pearson and Christopher Scinta, ©2011 Bloomberg News

Tuesday, November 8, 2011

(Updates with share price in seventh paragraph, real estate details in eighth paragraph.)

Nov. 2 (Bloomberg) -- Syms Corp. and its Filene's Basement LLC affiliate filed for bankruptcy in Delaware, the third time Filene's, the century-old clothing chain, has sought protection from creditors.

The company listed assets of \$236 million, including \$97.7 million in real estate inventories, and liabilities of \$94 million, according to a statement filed with the Chapter 11 petition today in U.S. Bankruptcy Court in Wilmington.

Syms, which operates 46 stores under Filene's Basement and its namesake brand in the U.S., said it plans to liquidate the business during the holiday season. The company said it received no "viable bids" from anyone willing to operate the business.

"The filings today are the result of a process that has been taking place for several months," Syms Chief Executive Officer Marcy Syms said in a statement. "Our board has conducted a rigorous assessment of all the strategic options and alternatives available and after careful consideration has come to the conclusion that a bankruptcy filing and liquidation is the best way of maximizing value for all stakeholders."

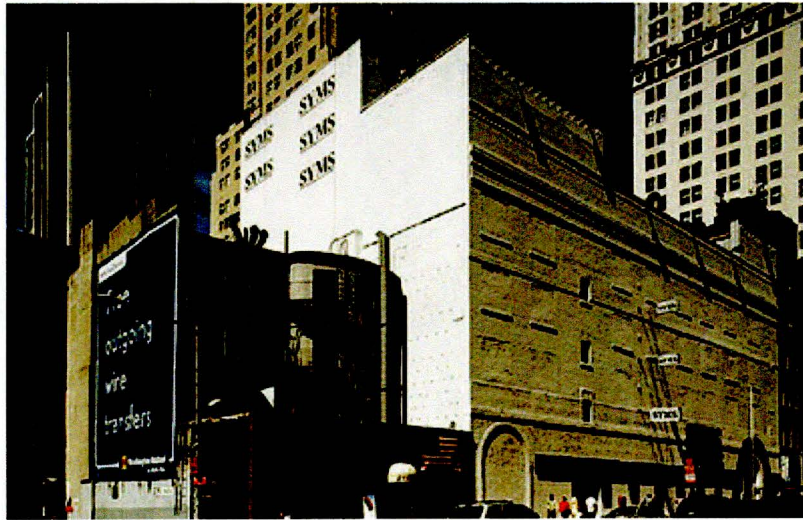
Increased competition, a proliferation of private-label discount chains and a decline in buying opportunities, combined with the economic downturn, proved too challenging for the companies, according to the statement.



# Lost City

08 NOVEMBER 2011

## Educated Consumers to Become Orphans



Syms, one of my favorite local retailers and, for my money, one of the most ur-New York institutions around, has broken my heart by filing for bankruptcy protection. It will close all 46 of their stores, including the Filene's Basement chain branches it acquired in 2009 for \$62.5 million. I didn't think that acquisition was a good move at the time. I know nothing about business, but Syms never struck me as the expansionist type. I just felt they should run their Syms stores and leave it at that.

Syms was founded in 1959 by a fella with the inimitable name of Sy Syms (born Sy Merinsky). The stores were discount outlets, but retained a kind of classy patina. The merchandise was of fairly high quality, and the salesmen were "educators" who didn't work on commission, and thus didn't push. Sy coined the chain unusually wise slogan, "An Educated Consumer Is Our Best Customer." What other chain do you know that promotes the idea of buyer intelligence?

Before I ever shopped at Syms, I was familiar with the stores. The company sponsored the old movies Channel 13 aired on Saturday nights. I grew fond of the brief advertising spot that preceded the films, in which the name Syms would be meticulously formed by hundreds of buttons. Then Sy would appear on the screen and utter the company's slogan. Later, his daughter Marcy took his place in the spots.

Syms won me over as a customer one day in the 1990s when I went there looking for a suit. I was thumbing through the gray and navy blue items on the rack when an "educator" approached me with a dark green number by a French maker. I had never occurred to me to wear a green suit, but I tried it on. It was perfectly suited to my build and coloring. To this day, it's my favorite suit I've ever owned. Since then, I've shopped there regularly. Recently, I began buying my son's clothes there. The experience has always been a civilized one. And I was always happily perplexed by the fact that there were three signs saying "Syms" outside the Rector Street store, the bottom one slightly bigger than the top two. It was also one of the only reasons I ever journeyed down to the financial district.

Where will I get my suits now?

Link: <http://lostnewyorkcity.blogspot.com/2011/11/educated-consumers-to-become-orphans.html>



November 9, 2011

**Newsday**

quizzed Long Islanders about their pumpkin knowledge.

## Inside Long Island business

### **Syms' closings mean loss of 117 LI jobs**

Tuesday November 8, 2011 2:34 PM By Carrie Mason-Draffen



Just over 110 workers at Syms Corp.'s two Long Island locations will lose their jobs as a result of the clothier's announcement last week that it planned to close all 46 of its stores, according to a state regulatory filing.

Syms, which also owns Filene's Basement, employs 65 workers at its Syms Clothing/Filene's Basement store in Westbury, according to its Worker Adjustment and Retraining Notification act filing, or [WARN notice](#), dated Monday. Filene's Basement in Manhasset has 52 workers.

The WARN act requires companies in New York with at least 50 full-time employees to file a 90-day notice of a mass layoff or closing, including the number of employees affected.

When the Secaucus, N.J.-based company announced its plans to close, it declined to say how many Long Island employees would be affected.

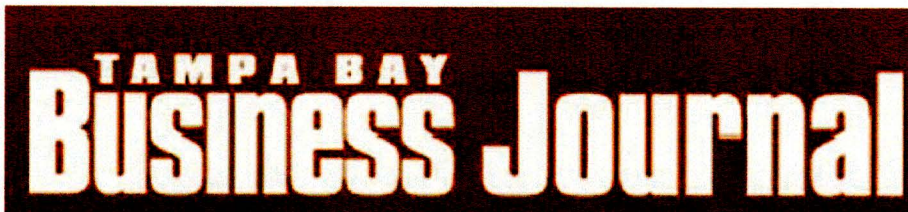
Syms, one of the first retailers to offer consumers off-priced name-brand clothing, announced last week that it had filed for Chapter 11 bankruptcy and planned to close all of its stores, which are mostly in eastern United States.

Sy Syms founded the off-priced retailer in 1959, and it debuted on Long Island in 1974. He died in November 2009.

As reported earlier, Syms expects liquidation sales to last through January.

The company declined to comment on the WARN notice.

*Photo: The Syms and Filene's Basement store in Westbury. (Nov.2, 2011)*



## Syms, Filene's closings to affect nearly 180 Florida jobs

Tampa Bay Business Journal by Margaret Cashill, Staff Writer

Date: Tuesday, November 8, 2011, 10:17am EST - Last Modified: Tuesday, November 8, 2011, 10:19am EST

Related:

The closing of [Syms](#) and [Filene's Basement](#) locations will affect 176 jobs in Florida, according to [a Worker Adjustment and Retraining Notification notice](#) filed with Florida's Agency for Workforce Innovation. It lists Jan. 9-23 as the layoff dates.

Syms has five Florida locations, including a store in Tampa. Filene's Basement has one Florida location in Aventura.

Syms (NASDAQ: SYMS) and wholly owned subsidiary Filene's Basement LLC [said Nov. 1 they filed for Chapter 11 bankruptcy protection.](#)

Nationwide, the closing of 25 Syms and 21 Filene's Basement locations will result in the loss of a reported 2,450 jobs.

Syms said Tuesday that its stock [will be delisted Nov. 15](#) and NASDAQ will file a form with the [U.S. Securities and Exchange Commission](#) to remove the company's securities from listing and registration on the NASDAQ.



# The Boston Globe Business

Holiday job on many wish lists

*But competition is stiff even for temporary,  
minimum-wage posts*

**By** Jenn Abelson

| GLOBE STAFF  
NOVEMBER 08, 2011



KAYANA SZYMCHAK FOR THE BOSTON GLOBE

**More than 400 people attended a retail job fair at the Boston Career Link last month. Employers were offering about 150 positions.**

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Four years after getting laid off as a security worker at Filene's Basement in Downtown Crossing, Alem Gebrecherkus sought out his former employer at a recent job fair, hoping to get a part-time position, seasonal gig, or any hours.

Gebrecherkus, who worked as a doctor in his native Cuba and just completed classes to become a medical assistant here, was optimistic that his improved resume would help end years of unemployment.

But the Filene's Basement application he filled out last month was met with the same silence he received from dozens of other businesses across the region. And as it turns out, even if Gebrecherkus had been hired, the paychecks wouldn't have come for long - the entire Filene's Basement chain is closing by January as part of bankruptcy proceedings. "I am frustrated. But I cannot change this economy," Gebrecherkus said. "I have to change myself."

Although holiday hiring at retailers may edge up slightly this year, analysts say, many job seekers are still facing a strikingly competitive field for temporary positions, some paying little more than minimum wage. In October, merchants hired 6.4 percent fewer employees compared with the previous month, and the number of applications received rose 2.7 percent over the same period, according to the Kronos Retail Labor index, which measures labor supply and demand in the retail sector.

More than 400 people, including Gebrecherkus, recently crammed into the Boston Career Link in Roxbury for a retail job fair where merchants supposedly had 150 positions to fill. Long lines and piles of resumes quickly filled the room.

By the end of the night, Heidi Kiewel, a store manager for clothier Ashley Stewart, had collected more than 100 applications for about 10 holiday season openings. She is still sorting through the resumes, amazed at the caliber of candidates seeking hourly retail jobs.

But Kiewel knows from experience the downward turns careers can take in a turbulent economy. A year ago, she gave up a job as a buyer at a troubled hardware chain to run a Copley Place boutique. The shop soon went under, putting Kiewel back on the employment hunt, which ended when she landed the manager's position in Dudley Square.

"People are super qualified for everything," Kiewel said. "It's a difficult world."

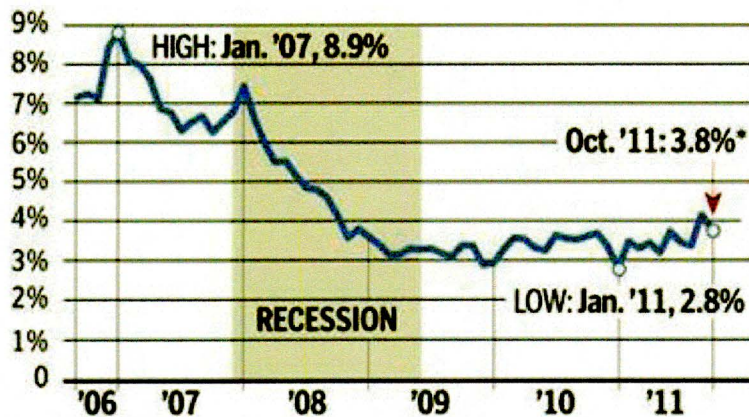
Last holiday season, Kristina Lauro abandoned her yearlong search for a medical assistant job and opted for a temporary cashier position at the Target store in Stoughton. When January arrived and Lauro still didn't have an offer in the medical field, she decided to stay and work in the discounter's cafe. The move was hardly unusual. Across the company, 40 percent of Target's 2010 seasonal staff became year-round employees - nearly double the previous year.



"It's tough looking for a job. For the medical field, people want two to five years of experience. I only have one," said Lauro, 21. "I don't mind it at all working at Target. But I do have the medical profession in the future."

Retailers have reported an uptick in applicants for seasonal positions, especially from people with experience in other professional fields, according to industry analysts. Some candidates are facing the end of unemployment benefits, while others are simply adjusting career expectations after repeated rejections.

The index represents the monthly ratio of hires to applicants. A level of 3.8 percent means that for every 100 applications, nearly four hires occurred. Retailers are hiring more, but not nearly as much as they did before the 2008 financial crisis.



\* Partial month SOURCE: Kronos Inc.

GLOBE STAFF

"For those who have been unemployed, they realize some income is better than nothing and if they land a seasonal job they enjoy they are often willing to continue," said Lynne Sarikas, executive director of the MBA Career Center at Northeastern University. "For employers it is a huge bonus," Sarikas said. "The seasonal work is an extended interview so the employer gets to know the employee and the work they are capable of doing."

Nancy Santos of Boston said she has tried to keep a positive attitude since she was laid off a year ago from her job as an executive assistant to a vice president at American Express. She has sent out more than 100 resumes and dropped off applications at job fairs with every retailer, including Nordstrom, Filene's Basement, T.J. Maxx, and CVS.

Initially, Santos hoped to land an administrative or managerial position. But now, with one extension left on her unemployment benefits, her search

has widened considerably. "There are so many people looking for one job," Santos said. "I'm willing to take anything at this point."





## Filene's Basement bankruptcy to cost 530 Mass. workers their jobs

Boston Business Journal by Galen Moore, Web Editor

Date: Tuesday, November 8, 2011, 10:42am EST

Related:



The Filene's Basement bankruptcy will cost 530 Mass. workers their jobs, according to corporate owner Syms Corp.



**Galen Moore**

Plans to stage going-out-of-business sales and shut down Filene's Basement and [Syms Corp.](#) stores will cut the Massachusetts work force by about 530 by the end of the year, the discount retail chain reported in a letter to the state Executive Office of Labor and Workforce Development.

Syms Corp., which has owned Filene's Basement since buying it out of bankruptcy in 2009, [filed last week for Chapter 11](#) bankruptcy protection, announcing plans to liquidate stores and cease operations.

Syms had previously announced plans to [close four of its Massachusetts Filene's Basement stores](#) – in Braintree, Peabody, Saugus, and Watertown – by year's end.

In the letter, obtained from Labor and Workforce Development by the Boston Business Journal, Syms Corp. details the impact of closing the remaining three Massachusetts stores – in Boston's Back Bay, Newton Upper Falls and Norwood – and a distribution center and corporate headquarters in Auburn, Mass.

The three stores and the Auburn facility collectively employ 360 workers, according to the Syms letter. Those employees will be terminated effective Jan. 9, or within a fortnight thereafter, the letter states. The distribution facility in Auburn is the chain's largest employer in the state, with 159 warehouse workers and 18 in the corporate headquarters.

The four stores that were already set to close collectively employ 170 workers, according to the Patriot-Ledger, which first [reported](#) Tuesday on the work force impact of the bankruptcy.



# Patriot Ledger

## Mass. to lose 530 jobs when Filene's Basement, Syms close

By Jon Chesto

The Patriot Ledger

Posted Nov 08, 2011 @ 03:21 AM

BOSTON —

The upcoming closing of the Filene's Basement and Syms chains will cost Massachusetts as many as 530 jobs, according to documents filed with the state Executive Office of Labor and Workforce Development.

Syms, the New Jersey-based company that owns Filene's Basement, sent a letter to the state agency last week, alerting state officials to the pending loss of 360 jobs.

Syms had already told the state agency in October that it planned to close four of its seven stores in Massachusetts. Those stores — in Braintree, Watertown, Saugus and Peabody — are all in Simon Property Group shopping centers and are in the midst of liquidation sales. Those four stores collectively employed 170 people.

But the news got much worse last week, when Syms disclosed that it could not find a viable buyer and decided instead to file for Chapter 11 bankruptcy as a way to liquidate the entire Syms and Filene's Basement chains. Together, the two chains employ nearly 2,500 people.

It turns out that the company's sites in Massachusetts — where the Filene's Basement business was born more than a century ago — represent more than one-fifth of that total.

The Friday letter to the state labor agency shows that there are 79 people who will lose their jobs at a Filene's Basement store in the Back Bay, 68 at a Filene's Basement store in Newton and 36 at a Syms/Filene's Basement hybrid store in Norwood.

The biggest job loss in the Filene's Basement chain will take place at the chain's 457,000-square-foot warehouse in Auburn. There, the company employs 159 people, as well as 18 in a much-diminished corporate office.

The company hasn't set a precise date for its final store closings, although Friday's letter indicates that the employees will lose their jobs on Jan. 9, or within 14 days after that date. Syms is closing 21 Filene's Basement stores, including the closings that were announced last month, as well as 20 Syms stores and five hybrid stores.

Syms bought the Filene's Basement chain in a bankruptcy auction in 2009, edging out an affiliate of Men's Wearhouse to win the bidding. But Syms was unable to turn Filene's Basement around as both chains faced stiff competition from other discount retailers and a rising number of online ventures.

*Jon Chesto may be reached at [jchesto@ledger.com](mailto:jchesto@ledger.com).*





Nov 9, 2011 Updated: 12:27 PM

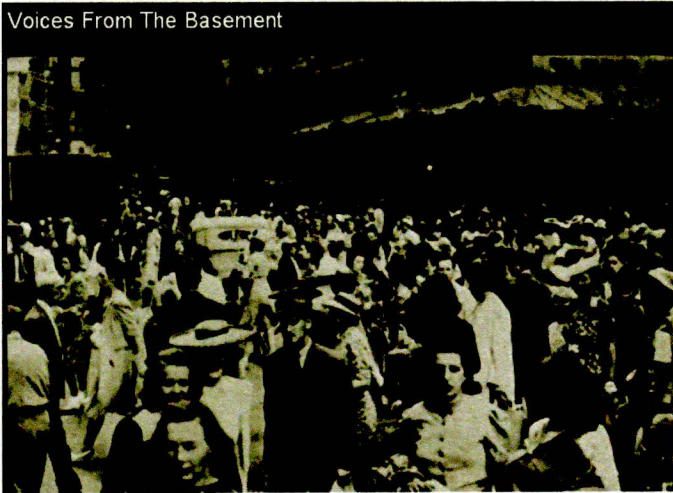
### **VOICES FROM THE BASEMENT**

Once one of Boston's most well known shopping destinations, Filene's Basement is the subject of *Voices from the Basement*, premiering **Thursday, December 9 at 8:30pm on WGBH 2.**

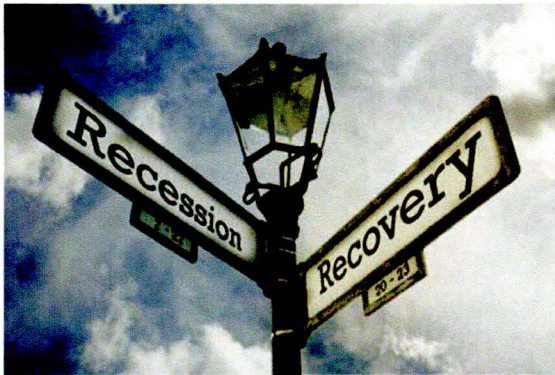
The Basement was founded in 1909 by Edward and Lincoln Filene, retail pioneers who introduced a radical discount model and forward-thinking philosophy in terms of employee rights. *Voices* chronicles the 100-year history of the iconic department store, including the early beginnings, Filene's trademarks like "Bargain Alley" and the "Running of the Brides," and the flagship store's tragic closing in 2007.

### **MAKING HISTORY OUT OF IMAGES**

Voices From The Basement



Link: <http://www.wgbh.org/articles/Remember-A-Retail-Legend-1107>



## **Filene's Basement Files for Bankruptcy, closes doors in 2012**

**November 9, 2011**

Few southerners are familiar with the department store Filene's, especially since its retail outlet was bought out in 2006 by Macy's. Macy's then removed Filene's name from the stores and replaced them with its own. Filene's Basement was the "outlet" version of the retail store, having served as a place to liquidate overstock back in the early 1900's. The companies diverged in 1988.

Now, in 2011 Filene's Basement, the last storefront bearing the name will be closing its doors. This is sad to me not only because I used to shop there with my mother as a young child but also because my grandfather, Richard Fyler Sr., retired as a caretaker for Mr. Filene's decedents. They had a profound influence on my upbringing as they built a recreation center for the children of the town as well as funding the only local library.

This once great business now has between \$1 and \$10 million in assets and between \$50 and \$100 million in liabilities per [Boston.com](http://www.boston.com). It may be nostalgia, but I think it's always sad when a legacy dies and this company is no exception.

### **Categories:**

- [Chapter 11](#)

Posted by [Charles Fyler](#) | [Permalink](#) | [Email This Post](#)

Link: [http://www.jacksonvillebankruptcylawyerblog.com/2011/11/filenes-basement-files-for-ban.html?utm\\_source=feedburner&utm\\_medium=feed&utm\\_campaign=Feed%3A+JacksonvilleBankruptcyLawyerBlogCom+\(Jacksonville+Bankruptcy+Lawyer+Blog\)](http://www.jacksonvillebankruptcylawyerblog.com/2011/11/filenes-basement-files-for-ban.html?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+JacksonvilleBankruptcyLawyerBlogCom+(Jacksonville+Bankruptcy+Lawyer+Blog))





## The Filene's Basement Story From Those Who Knew It Best

Nov 9, 2011 Updated: 12:34 PM

By [Lori Gwyr](#)

[2 comments](#)

Once one of Boston's most well known shopping destinations, Filene's Basement is the subject of the new documentary **Voices from the Basement**, premiering **Thursday, December 9 at 8:30pm on WGBH 2**. Through newsreels, archival footage, vintage photographs and audio recordings, filmmaker Michael Bavaro and psychologist Dr. Susan Edbril illustrate the enormity of this landmark institution, weaving history through a collection of stories told by the people who worked and shopped at the Basement. Recently, WGBH's Lori Gwyr sat down with Michael Bavaro to discuss his new film.



Executive producer Sue Edbril and producer/director Michael Bavaro of 'Voices from the Basement.'

Photo: Angela Rowlings

shoppers to employees – had this sort of nostalgic admiration for it. Something about that store was definitely special, what do you think that was?

### Share Your Filene's Basement Story

**MB:** You know, I think it's all timing. We were at the dawn of the industrial revolution, the twentieth century. The things we take for granted now were just becoming available as conveniences of life. Filene's was one

**WGBH:** How did this documentary originally come about between yourself and Dr. Edbril?

**MB:** I had just completed a documentary about Rex Trailer, who had a kids' show here in Boston for many years. Dr. Edbril had approached Rex about an idea she had about Filene's Basement, and he said you should talk to Michael. So I heard what she had to say, and we talked about it. Because her grandmother had originally worked there for 40 years, it was to be a doc about the women who worked in the Basement. But the more we explored it, the more we saw there were many other layers. We thought we would start off with a small film, but over time there were more and more things that people didn't know about what Filene's had contributed to society.

**WGBH:** Watching the documentary, it seems everyone involved with the store – from

of the first stores to offer ready-to-wear machine-made clothing, right before everything was tailored. I think the thing that caught on about the Basement was that suddenly you could get really good stuff from Paris and around the world, and it would be at a discount price. Filene's introduced that idea. There had been other bargain basements, but they were kind of dark and dingy, with castoffs. This was quality stuff. Then they created the Automatic Markdown System so that people would think they were getting something for nothing.

**WGBH:** Can you talk a little bit more about the Automatic Markdown System. Do you know how that came about?

**MB:** It was Edward Filene's idea. He wanted to create a system that was like an auction in reverse. Everyone at the time called it "Filene's Follies." Some thought, well that's ridiculous, people will wait until the price gets down to 75 percent off. But, Filene knew that it was good stuff and that people would want to be the first to get it before it was gone. I think it set into motion this whole discount concept. Even today, people might say "Oh I got a Filene's Basement bargain deal on my car," or something else. It's become part of our vernacular, in terms of what a deal is. There were a lot of copy cats – Jordan Marsh had a basement, Macy's has a basement or a cellar. Everybody tried to play off that idea, but there was no place like Filene's Basement. And I think it had to do a lot with that location, because at the time the subway system had just been put in and the Filenes knew that area was going to be like the crossroads of the world.



**Shoppers browse through racks of discounted men's suits.**

**WGBH:** In the film we see that they had a snack bar for people and some of the interviewees describe "making a day of it."

**MB:** In those days, there weren't shopping malls out in the suburbs, so people would make an event of going into the city. While they shopped they would get hungry. A lot of places had snack bars and counters. It was a ritual, you would go to Filene's, and then you would maybe go to Bailey's afterwards for an ice cream. People talk a lot about what the whole downtown crossing area was like back then. Then of course, malls started opening up; it was more convenient for people to go shopping for an hour or two close to home.

**WGBH:** The film captures the history of Filene's Basement through many different vehicles – archive footage, there's newsreels, photos, personal stories – did you face any challenges with, for example, finding former employees or celebrities, or was that pretty easy to do?

**MB:** Well, there's a couple of things. Celebrities weren't that forthcoming. We had many men who wanted to talk, but people always think of the shopper as the woman. We had heard of different celebrities who were down in the Basement, like Liza Minelli, and we approached all of them about being in the film, but nobody



really wanted to talk. The only one that agreed was Estelle Parsons, because she's from the Boston area. She went off to New York to do the Today Show when it began, and [in the film] she talks about how all her clothes came from Filene's Basement. I think what we found was that some people saw shopping at Filene's as a badge of honor; others didn't want to admit they shopped there.

**WGBH:** Yeah, the two groups of shoppers.

**MB:** So that was fascinating to discover. Like some people called it "Filene's" and others called it "Fuhlene's."

**WGBH:** Actually, I wanted to ask you about that. So Michael, for you, is it "Filene's" or "Fuhlene's?"

**MB:** Well, I still say "Filene's," but when I want to be uppity about it, I say "Fuhlene's."

**WGBH:** Some of the former employees you spoke to described working at Filene's as a lifetime job, like stock boys would work their way up to men's suits. Was that the case for most of the modern-day Filene's workers you interviewed? Did you find a lot of lifers who still worked there in 2007?

**MB:** In 2007, there were several people who had spent their careers there. One woman, Sylvia Amenta who had worked there for 60 years, started right out of high school. And Bernard Horan, who came here from Ireland in 1964. They all thought that they would just take a leave of absence or two-year vacation [when the store closed], maybe some of them retired, I'm not really sure. We really didn't speak to the employees of today, because it's a different company now.

**WGBH:** What was that like actually to be part of such a historic and emotional moment when the original Filene's Basement closed?



**Filene's Basement was beloved for its deep discounts on high end goods, often at the expense of personal**

**space and privacy. Filene's built its first private fitting room for women in the 1980s.**

**MB:** At the time, we were looking forward to a grand opening and filming that, and having the ribbon cutting and then maybe

have the film premiere around that event. When we saw that it wasn't gonna happen, I think we realized we were there for the closing and really did capture history. I think this film sort of helps people grieve the loss of the store in some way.

**WGBH:** Definitely, there was sort of a cathartic feel to it at the end. So take me through the process of organizing the film. You had all this old footage and photos and interviews to go through, and you ended up breaking the film into segments. I love the "Hunters and Gatherers" section. How did you decide it should all come together in the end?

**MB:** Sue and I had talked about a lot of the topics that we wanted to explore. She's a psychologist, so she was really interested in the psychology of what made people hunt for a bargain, and why employees worked there for so many years, why they were so committed. We started off just interviewing people to find out what they had to say. And then we found pictures and old newspaper articles. We didn't really have a lot of footage or material.

**WGBH:** Where did you find that stuff?

**MB:** I found some on eBay. I found a woman up in Vermont who's grandfather started off as a stock boy and rose to become chairman of the company. She had some old recordings and films stored away in the barn. It was like an archeological dig, because a lot of this stuff had to be found. Even when we premiered the film at the Parker House back in May, I didn't have the footage that's in the film now. When we showed it last month at Dean College, we found a couple who met there in the 1960s and shot home movies of all the different sales and people working. The new film shows authentic coat sales, fur sales, bridal sales, employees, and even parties after work from the 1960s. I replaced a lot of the stock footage and photographs with the new footage, and it really better illustrates the era of the 50s and 60s. It looks like the scene out of "Mad Men."

**WGBH:** Following up on that, the Basement in its early days was something of a dichotomy, in that people considered it very democratic. I think it might have been Former Governor Dukakis who used the term "leveling," where commoners could rub shoulders with doctors. But at the same time, there were some very clear divisions. Dukakis said he never saw a black sales person at the Basement or anywhere else. And men had their own dressing rooms, whereas women had to strip down in public. What did you think about the two faces of Filene's, so to speak?

**MB:** I grew up in the time when we were coming out of that generation of "it's a man's world." I saw women's liberation and the feminist movement. I think some of the things that were accepted then, are not politically correct today. And even though Boston was one of the first states to abolish slavery, there was still an unwritten prejudice here – I think everywhere. Over time, though, you saw people of color working in the Basement. I'm married to an African-American woman, so we talk a lot about that – how some things change, but they still stay the same. But I think in places where people were employed, it did change. On the dressing rooms, part of the show was to go down there and watch the women undress; it was part of the allure of shopping there. I think the store got away with it for as long as it could, until a woman in the 1980s decided to file a discrimination suit against Filene's. So they then had to make a dressing room for women. That was what we discovered as we were making the film. That's also why there is no narrator – I didn't want to put a voice on it.



**WGBH:** You let the images and the people speak for themselves.

**MB:** You know, Mike Dukakis was around before I was, so he observed that and I didn't. But I think it spoke to the democracy of the basement. Because even then, it didn't matter what color or what class of society you came from, everybody had the same access to the goods.

**WGBH:** One of my favorite moments in the film was the juxtaposition of the "Running of the Brides" event with the running of the bulls in Spain. I really thought that was great. Do you know how and when the Brides event came about?

**MB:** The first bridal sale was in 1947. There's footage from the 1960s that shows the wedding gown sale and people coming in and just buying dresses out of big piles. Some would ship them off to Italy; some would buy a dress just to scrub pots with it. So it wasn't like it is today. Later, maybe in the 70s and really into the 80s, it became more of a media event – because people lined up at the doors for all the sales. You'll see that in the 60s too, for handbag sales and coat sales. They're all waiting at the door and then they rush in. And that carried over to the "Running of the Brides." And the "Running of the Brides" comes from the running of the bulls. I cut the bull shot in – no pun intended – because people think like that and it's funny, it gets a laugh. Susan Dobscha, who's a professor at Bentley, did a whole study about the "Running of the Brides" and didn't appreciate that shot. She said it sort of gave credence to the whole stereotype of women charging in like animals. We had a big back and forth about it.

**WGBH:** Well, I'm glad you won that argument. It's definitely a classic moment in the film.

**MB:** Well, I had final cut, so...

**WGBH:** So let's switch the focus to you for a little bit. You began filmmaking in high school. What first got you interested in it and what was your first project?

**MB:** I was always an artist and my parents always got me paints and things. But I was fascinated with our home movies, thought about how they worked; how could I be on the screen and be sitting here watching at the same time? No one could really explain that to me. So, when I got into high school, I had a teacher who got me into a Saturday morning program at Mass College of Art, and I ended up in the wrong class. I ended up in filmmaking. Since I had always been interested, I asked if I could stay. And they let me stay. I started off making an animated film – just experimenting with frames and understanding movement. Then I just experimented with movie cameras with my friends and we would make little movies. My first film was called "Blocky," which was a spoof on "Rocky."

**WGBH:** And what do you think of "Blocky" now, looking back on it?

**MB:** I think it was the beginnings of YouTube; seems like what people are doing now. Everybody is making movies, everybody is telling stories. For me, though, instead of a video camera or a digital camera, I had a Super 8 film camera. So we made a spoof about "Rocky." It was this chubby little Italian guy who was trying to impress his girlfriend. Instead of working out on a side of beef, he worked out on links of sausages that his father had in a deli that he owned. We tried to mimic "Rocky" in a funny way, sort of like Mad Magazine. That led me to make more films, and when I got into college I made a documentary about my hometown. From there, I went into advertising and promotion, doing commercials and promos.

**WGBH:** So you were nominated for a New England Emmy for your documentary about Rex Trailer's Boomtown, and I understand that's now even a part of the permanent collection at the Museum of TV and Radio. Are you sort of a sucker for nostalgia, do you think?

**MB:** I think I am. After working in advertising for a while, I felt like I wasn't telling stories like I wanted. I thought it was important to make a film about something I was passionate about. When I met Rex Trailer, who I had watched growing up, it was the perfect fit. Sue also wanted to make a passion film about her childhood. We put five years of love into the film and I'm really happy with the way it turned out.

**WGBH:** Must have been quite a process. So what's in store for you next, Michael?

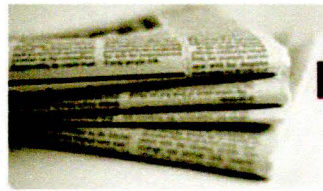
**MB:** I have a production company called Digital Freeway and I just moved back up to Massachusetts from New York. My job is; I make people's dreams come true. I think everybody has a story to tell.

### **SHARE YOUR FILENE'S BASEMENT STORY**

Leave a comment below with your own recollections of Filene's Basement

Link: <http://www.wgbh.org/articles/The-Filenes-Basement-Story-From-Those-Who-Knew-It-Best-1109>





## Filene's Basement Filing for Bankruptcy, Closing Next Year

November 9, 2011

By: [Brenna Working](#)

[Massachusetts](#)-based bargain clothing store Filene's Basement has announced plans to file for Chapter 11 liquidation [bankruptcy](#) and close its doors by 2012, according to Boston.com. The company, which originated in Auburn, MA, more than 100 years ago, pioneered the concept of bargain selling as a mainstream way to do commerce.

Today, the chain includes 21 stores and employs more than 1,500 people. Competition from other retailers, combined with the economic downturn, though, has proven to be more than Filene's can handle.

According to sources, executives from Syms, the company that owns Filene's, considered a number of options to resolve its [debt](#) problems but ultimately decided that bankruptcy would be best for all parties involved. In its court documents, the company reported between \$1 and \$10 million in assets and between \$10 and \$50 million in debts.

### NOT THE FIRST TIME IN COURT

Interestingly, this will not be the first bankruptcy filing for Filene's Basement. The chain actually has two previous bankruptcy filings under its belt, the most recent of which occurred in 2009. It was during that bankruptcy that discount chain Syms purchased Filene's, with plans to revive it to its former robustness.

Clearly, those plans have not panned out.

Sources note that Filene's Basement retailers will remain open during the holiday season, during which liquidation sales will take place. The schedule of actual store closings, it seems, will depend largely on how quickly merchandise moves during holiday shopping.

### An Outdated Business Model?

Analysts of the Syms/Filene's bankruptcy have attributed the company's financial failure in part to a business model that didn't adapt to the times. When it was first established, Filene's Basement provided a unique opportunity for shoppers to get name-brand goods at discount prices.

But in the last several decades, upscale retailers such as Nordstrom and Saks Fifth Avenue have introduced their own "off price" divisions to sell overstocked and out-of-season merchandise, meaning that Filene's no longer offered shoppers unique buying opportunities.

Filene's Basement was founded in 1909 by William Filene. In recent years, it has become famous for its "Running of the Brides" event, during which brides were able to shop/fight for deeply discounted wedding dresses.



## Syms, Filene's to lay off 176 in Florida

South Florida Business Journal by Susan R. Miller, Senior Reporter

Date: Wednesday, November 9, 2011, 11:15am EST



Syms Corp. files notice that it will lay off 176 employees and shut down six stores in Florida, including its Filene's Basement in Aventura.

The next shoe has dropped in the [Syms Corp.](#) /Filene's Basement bankruptcy

The discount clothing retailer filed notice with the state this week that 176 employees statewide will be losing their jobs. Most of

them are in South Florida.

Syms Corp. has four locations and [Filene's Basement](#) has one location in South Florida. According to the notice, Filene's Basement in Aventura will lay off 42 workers. Syms will lay off 34 employees at its store at 5300 Powerline Road in Fort Lauderdale; 23 at its store at 13899 S.W. 88th St. in Miami; 31 at its store at 4615 N.W. 77th Ave. in Doral; and 28 at its store at 4400 Forest Hill Blvd. in West Palm Beach.

Syms also has a store in Tampa, where 18 employees will be laid off, according to the notice.

The company said it is not exactly known when the stores will close, but it is expected that employees will lose their jobs on or before Jan. 9.

The New Jersey-based clothing store operator, which has owned Filene's Basement since buying it out of bankruptcy in 2009, [filed for Chapter 11 bankruptcy protection in Delaware last week](#), announcing plans to liquidate stores and cease operations.

Syms CEO [Marcy Syms](#) said competition from department stores that offer similar discounts, an increase in the number of private-label discount chains and "the worst economic downturn in our lifetimes" led to the company's downfall.

Link: <http://www.bizjournals.com/southflorida/news/2011/11/09/syms-filenes-to-lay-off-176-in-florida.html>

# HOUSTON BUSINESS JOURNAL

## **Syms files for bankruptcy, liquidates all stores Houston Business Journal**

Date: Wednesday, November 9, 2011, 6:30am CST

Syms Corp. (Nasdaq: SYMS) said Nov. 8 its stock will be delisted as of Nov. 15.

Earlier this month, New Jersey-based Syms announced bankruptcy and the liquidation of all of its 46 stores, including the Syms in Houston on Westheimer.

The Houston store has 19 employees.

Link: [http://www.bizjournals.com/houston/morning\\_call/2011/11/syms-files-for-bankruptcy-liquidates.html](http://www.bizjournals.com/houston/morning_call/2011/11/syms-files-for-bankruptcy-liquidates.html)



# WICKED LOCAL<sup>®</sup> NEWTON

WITH NEWS FROM THE NEWTON TAB

## Customers will miss Newton Filene's Basement

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Photos



NE (11/09/11) Filene's Basement photographed on Sunday afternoon, November 6, 2011.  
(Staff photo by David Gordon)

**By Ashley Studley, [astudley@wickedlocal.com](mailto:astudley@wickedlocal.com)**

**Wicked Local Newton**

Posted Nov 07, 2011 @ 06:39 PM

Newton —

Mimi D'Angelo remembers the days when she could snag a designer dress for \$5.

It was the late 1960s, and the Filene's Basement at Downtown Crossing was booming with deals.

Outside of the Needham Street location Sunday afternoon, D'Angelo expressed her disappointment to hear it will all be ending soon.

"It's so great and such great quality. I just went in and had my son's pants hemmed on the spot. You can't get that kind of service," the Wellesley woman told the TAB.

The TAB's news partner WCVB last week reported Syms Corp. and its subsidiary, Filene's Basement, filed for Chapter 11 bankruptcy protection and plan to liquidate all their operations.

"I think some of the stores need to close because they don't have the same quality at every Filene's Basement," said Ann Sherman of Newton.

Clearance sales are underway in Braintree, Peabody, Saugus and Watertown -- but for now, at least, it's business as usual on Needham Street in Newton.

"Good deal, I got a very good deal. I got a blouse," said Deborah Baah of Hyde Park. "Always looking for the clearance, because it's too expensive nowadays."

Syms acquired Filene's Basement out of bankruptcy protection in the spring of 2009 for \$62.4 million, but struggled to turn the chain around. They own and run 46 stores mostly in the Eastern U.S. under the Syms and Filene's Basement names.

CEO Marcy Syms said in statement that increased competition from department stores that are offering the same brands at similar discounts and an increase in the number of private label discounters weighed on the companies. She also cited fewer opportunities to buy brand name labels due to tighter inventory management and the economic downturn.

She says the bankruptcy filings were "the results of a process that has taken place for several months."

Syms, based in Secaucus, N.J., had announced back in May that it was exploring strategic options, including a potential sale.

Marcy Syms said the company's board decided that the bankruptcy filing and liquidation was the best way to maximize value for those with a stake in the company such as suppliers owed money.

"Wow. It's just going to be down to Marshall's and TJ Maxx because we lost Loehmann's and all of those great discount stores. It's sort of the end of an era, really," said Heather Schneeberger of Wellesley.

Filene's Basement started in 1909 with founder William Filene.

The liquidation is anticipated to run through about January. A store closing schedule will be determined when the liquidation of merchandise is complete.

No closing dates have been scheduled.



# Dorchester Reporter

Published on *Dorchester Reporter* (<http://www.dotnews.com>)  
[Home](#) > Recalling the Filene's Basement: It had character – and characters

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## Recalling the Filene's Basement: It had character – and characters

By *Anonymous*

Created 11/09/2011 - 3:50pm

Nov. 9, 2011

By Lew Finfer, Special to the Reporter

In 2007, when Filene's Basement was moved out of its famous location when the Filene's building was supposed to be rebuilt as a skyscraper, I had this sinking feeling that it wouldn't return there. And indeed, it hobbled along in a series of other locations with the same name but not the original atmosphere of the flagship store. The plug was pulled recently and the 21 remaining Basement operations will all be gone by January.

What will remain, though, are the memories and the traditions of the Filene's Basement store at the corner of Summer and Washington Streets.

Just think of the entryways. When you went in the entrance on Washington Street at the end of the building closer to City Hall, you got a glimpse of the spiffy Filene's main floor with tables brimming with well-folded clothes, but then you quickly turned to the right and took an old staircase to the basement. You might have gone into the wardrobe – like in the book "The Lion, The Witch, and the Wardrobe" – because all of a sudden you were in the magical Filene's Basement in the famous suit section where I got a suit and a number of shirts and shoes over the years.

And then there was the entrance right from the corridor of the Downtown Crossing MBTA Station, down a little flight of stairs and into the tumult and the shouting of the women's clothing section.

That was the heart of Filene's with those huge wooden drawers and bins of sweaters, blouses, scarves and everything else under the sun plus racks of dresses and more dresses. There was no changing rooms in Filene's Basement so women and girls tried on things right in the aisles, sometimes stripping first to their underwear while ducking around some column or bin, or not even bothering to do that in the rush.

When I ventured into this territory in search of a dress or sweater for my wife or my daughter, I felt like a lone soldier who was way beyond his front lines. I'd look hard and fast, select my gift, and retreat to more neutral territory.

I remember once taking the T from Dorchester to a meeting downtown with a business leader and forgetting to put on a tie. In a panic as the clock ticked, I rushed into Filene's Basement, grabbed a tie for \$3, and made the meeting on time and in a presentable state.

Filene's Basement had its traditions, among them the famous "Running of the Brides" that followed the annual huge mark-down sale of designer bridal dresses. Brides-to-be lined up the morning of that event and then stormed in looking for a huge bargain for their great day ahead. My wife got a beautiful wedding dress there for \$100.

She and her crew from St. Agatha's School started going downtown to Filene's Basement in the early 1960's. They nicknamed it "Fi Bay" and they did their share of roaming the heaping bins of clothes searching for the right style and the right bargain.

The Basement had automatic sale mark-downs where the prices decreased over 30 days down to near zero, after which clothing items were supposed to be given to charity. Legend had it that some people would hide an item elsewhere in the store until it reached the next level lower of bargain price, then return to buy it. Now would that be considered a venial sin?

And State Sen. William Wall of Lawrence took constituent service to a new level in the 1970's when he supposedly took items to the Basement for return from people in his district. What would the Tea Party or Occupy Wall Street movements say today about that move by a politician?

I sent the news about the closings to our friend Ann in Ireland who'd carve out two hours during a whirlwind visit to Boston to head to Filene's Basement. In sending her that e-mail, I felt like I was sending a condolence card.

A store is a store is a store. Nothing lasts forever. There are stores with some good bargains still around. But I worry for Jacob Wirth's Restaurant, the Brattle Book Store, Simco's Hot Dogs, Mike's Pastry, Al Capone's Pizza. ...you name it ... because we've seen Filene's Basement close its doors. Yes, it's about nostalgia, memories, places with character, and not a bit of a plastic feel to them.  
*Lew Finfer is a Dorchester resident.*

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**Source URL:** <http://www.dotnews.com/columns/2011/recalling-filene-s-basement-it-had-character-and-characters>



# WatertownPatch

## Sports Authority Will Replace Filene's Basement at Watertown's Arsenal Mall

The national sporting-goods chain will replace the discount closing store, which recently announced its closing at the end of 2011.

November 9, 2011

Sports Authority will move into the spot that Filene's Basement will soon vacate, the owners of the Arsenal Mall announced Wednesday, Nov. 9.

Simon Property Group Inc.'s press release says the sporting goods chain will open a 33,000-square-foot store in Watertown by the spring of 2012. The store will replace Filene's Basement which is slated to close at the end of 2011.

"We are proud to welcome one of America's leaders in sporting goods to Arsenal Mall," said Cindy Kernan, Leasing Representative at Simon Property Group. "We're continually listening to our customers' feedback and working to ensure our retail mix is fresh. Sports Authority will provide a wide variety of quality, brand-name sporting goods for the Watertown area community," she added.

The Watertown store will be the second Sports Authority to open in Massachusetts in less than a year. The store offers sporting apparel and athletic equipment. The Arsenal Mall store will feature top name brands including Nike, Under Armour, adidas, The North Face, TaylorMade and many more, according to the release.

The store will cater to the interest of local customers, offering the best and latest items for team and individual sports, as well as dedicated sections for footwear, apparel, outdoor recreation, golf and fitness, the release said.

"Our new location at the Arsenal Mall in Watertown, Massachusetts will provide industry-leading customer service and a complete selection of quality sporting good products," said Greg Waters, COO of Sports Authority. "Sports Authority truly believes in celebrating the good in sport and with this new location, we are not only creating local jobs, we're also providing great value and service to athletes and active families in surrounding communities."

**Related Topics:** [Arsenal Mall](#), [Sports Authority](#), and [watertown business](#)

Link: <http://watertown.patch.com/articles/sports-authority-will-replace-filene-s-basement-at-watertown-s-arsenal-mall>

# Bloomberg Businessweek

## Syms, Blitz, Lehman, Real Mex, Broadstripe: Bankruptcy

November 10, 2011 11:47 AM

(This report contains items about companies both in bankruptcy and not in bankruptcy. Corrects spelling of Zabar in Syms item.)

Nov. 10 (Bloomberg) -- Syms Corp. and subsidiary Filene's Basement LLC, the 46-store apparel discounters that filed for liquidation under Chapter 11 on Nov. 2, have an official creditors' committee with five members. Real-estate owners Vornado Realty Trust and Rabina Properties LLC are on the committee along with lender Rosenthal & Rosenthal. Saul and Stanley Zabar sit on the panel together with apparel maker PVH Corp.

The stock market is still flashing a signal that Syms and Filene's will be a solvent liquidation, meaning creditors should be paid in full, with cash left over for stockholders. The day before the Chapter 11 filing, the stock closed at \$7.67. After bankruptcy, the price rose 33 percent to close at \$10.17 on Nov. 3. Yesterday, the stock closed at \$8.79, down 41 cents a share on the Nasdaq Stock Market.

The companies arranged a Nov. 15 hearing to approve the hiring liquidators to run going-out-of-business sales at all locations. The 15 company-owned stores will be sold separately. For details on the proposed GOB sales, click here for the Nov. 3 Bloomberg bankruptcy report.

Syms, based in Secaucus, New Jersey, purchased Filene's through a bankruptcy auction in June 2009 in what was Filene's second venture in Chapter 11. There are 25 Syms stores and 21 Filene's locations. Assets were listed for \$236 million, including real estate on the books for \$97.7 million. Liabilities are \$94 million, including \$31.1 million owing on a revolving credit with Bank of America NA as agent. In addition, there are \$11.1 million in letters of credit outstanding on the revolver.

The case is In re Filene's Basement LLC, 11-13511, U.S. Bankruptcy Court, District of Delaware (Wilmington).

### New Filing

#### Blitz U.S.A., Gas-Can Maker, Files to Stop Injury Suits

Blitz U.S.A. Inc., a manufacturer of plastic gasoline cans, filed for Chapter 11 protection yesterday in Delaware to stanch a hemorrhage resulting from 36 product-liability lawsuits.

Although the bankruptcy filing automatically stopped lawsuits against Blitz, it didn't stop the plaintiffs from suing Wal-Mart Stores Inc., the retailer that sold the cans. To protect Wal-Mart, its largest customer, Blitz immediately filed court papers asking the bankruptcy judge to also stop the suits against the retailer.

Although Miami, Oklahoma-based Blitz has insurance, the policies have a \$1 million deductible, meaning that the company must pay the first \$1 million before insurance kicks in. Defending the pending lawsuits will cost more than \$30 million, a "debilitating expense for the company," according to court papers.

Annual sales have been about \$80 million, according to court papers, which say the company at one time had 70 percent of the U.S. market. Liabilities include \$41 million owing on a secured term loan and revolving credit from Bank of Oklahoma.



In addition there is \$22 million owing on unsecured subordinated notes. The company estimates it owes lawyers \$3.5 million for defending pending suits.

The company is controlled by Kinderhook Capital Fund II LP.

The Chapter 11 case is to be financed with a \$5 million secured loan from Bank of Oklahoma.

The case is In re Blitz U.S.A. Inc., 11-13603, U.S. Bankruptcy Court, District of Delaware (Wilmington).

#### Updates

#### Vitro Creditors See Nothing New in Revised Vitro Plan

A group holding some of Vitro SAB's \$1.2 billion of defaulted bonds said that a reorganization proposed by the conciliator late last month in the Mexican court is "virtually identical" to the Mexican glassmaker's own proposal from December 2010.

Although the conciliator's proposal was advertised by Vitro as having economic improvements for debt holders, the ad hoc bondholder group says the new provisions are inconsequential because the company still would have the right to repurchase newly issued convertible debentures at a steep discount to face value. In addition, the debentures can't be converted to stock absent a payment default.

In their filing in U.S. Bankruptcy Court in Dallas, the bondholders also take issue with a new provision in the conciliator's plan which would deny a distribution to any bondholder that doesn't consent. The bondholders call it a "highly coercive provision which discriminates against non-consenting creditors."

As they have done consistently, the bondholders are opposed to the Mexican reorganization plan because shareholders of Vitro could retain ownership while bondholders aren't being paid in full. The bondholders cite an "independent analyst" who estimates the Mexican plan is worth 49 percent to 54 percent of creditors' claims.

For a summary of the conciliator's proposal, click here for the Nov. 2 Bloomberg bankruptcy report. The Vitro parent was granted protection from creditors in the U.S. under Chapter 15. The case in the U.S. gives the Vitro parent the ability to attempt to enforce in the U.S. whatever reorganization the Mexican court eventually approves.

Holders of some of defaulted bonds filed involuntary Chapter 11 petitions last year against several Vitro subsidiaries. Some put themselves into Chapter 11 this year and later sold their businesses. In April, the bankruptcy judge in Texas denied the involuntary petitions against 10 subsidiaries that hadn't elected

Chapter 11 voluntarily. The bondholders are appealing.

The Vitro parent's reorganization was revived by an appellate court in Mexico after having been dismissed in a lower court.

The Chapter 11 cases for U.S. subsidiaries is In re Vitro Asset Corp., 11-32600, U.S. Bankruptcy Court, Northern District of Texas (Dallas). The Chapter 15 case for the parent is Vitro SAB de CV, 11-33335, in the same court.

#### Labor Department Objects to Lehman's Trust Fund Deal

Lehman Brothers Holdings Inc. drew an objection from the U.S. Labor Department to a settlement with the trustee liquidating the remnants of the Lehman broker arising from a \$125 million payment the holding

company made to the broker a few days before bankruptcy. From the total, \$95 million was used to establish a trust to fund health benefits for workers and retirees.

The settlement calls for Lehman to receive the \$37 million remaining in the trust after benefits were paid following bankruptcy. From the total, Lehman will take \$25 million in reimbursement for benefits the holding company paid.

In objection papers filed yesterday, the government says that taking \$25 million without approval from the Labor Department would be a violation of federal law. In addition, the department wants the judge to insure that no releases are given that would prevent suing for violation of federal law dealing with trust funds for employee benefits.

A hearing to approve the settlement is on the bankruptcy court's calendar for Nov. 16. For details on the settlement, [click here](#) for the Oct. 24 Bloomberg bankruptcy report.

Lehman creditors finished voting on the Chapter 11 plan on Nov. 4. The confirmation hearing to approve the plan is set for Dec. 6.

The Lehman holding company filed under Chapter 11 in New York on Sept. 15, 2008, and sold office buildings and the North American investment-banking business to Barclays Plc one week later. The remnants of the Lehman brokerage operations went into liquidation on Sept. 19, 2008, in the same court, with a trustee appointed under the Securities Investor Protection Act.

The Lehman holding company Chapter 11 case is *In re Lehman Brothers Holdings Inc.*, 08-13555, while the liquidation proceeding under the Securities Investor Protection Act for the brokerage operation is *Securities Investor Protection Corp. v. Lehman Brothers Inc.*, 08-01420, both in U.S. Bankruptcy Court, Southern

District of New York (Manhattan).

**Real Mex Restaurants Business Up for Auction Jan. 26**

The Real Mex Restaurants Inc. creditors' committee succeeded in slowing down the sale of the business by 17 days although opposition to final approval of a \$49 million loan failed.

Yesterday the bankruptcy court in Delaware approved auction and sale procedures where bids are due Jan. 20, followed by an auction on Jan. 26 and a hearing to approve the sale on Jan. 30.

Contending there was no "financial exigency," the committee opposed quick sale. Originally, Real Mex wanted the auction on Jan. 9.

Although no buyer is yet under contract, the committee also said that a sale to junior bondholders would leave "unsecured creditors with little prospect for recovery."

Yesterday the bankruptcy judge also gave final approval for a \$49 million in secured loan from General Electric Capital Corp., as agent for existing first-lien lenders. The committee opposed the loan, contending it would slant the sale process in favor of second-lien lenders.

Cypress, California-based Real Mex filed under Chapter 11 operating 178 stores under the names El Torito Restaurants, Acapulco Mexican Restaurants and Chevys Fresh Mex. The company said it would close 12 locations plus 40 more unless landlords make concessions. Real Mex acquired Chevys Inc. for \$90 million through confirmation of Chevy's Chapter 11 plan in 2004.



Real Mex missed a \$9.1 million interest payment due in July on the second-lien notes. The company is controlled by funds affiliated with Boca Raton, Florida-based Sun Capital Partners Inc. The petition said assets are \$272.2 million while debt totals \$250 million.

Revenue of \$243.4 million in the first half of 2011 resulted in a \$67.4 million operating loss and an \$81.7 million net loss. The loss included a \$71.3 million asset-impairment charge.

The case is *In re Real Mex Restaurants Inc.*, 11-13122, U.S. Bankruptcy Court, District of Delaware (Wilmington).

#### NEC Committee Aims to Sue Insider with Shareholders

Although the reorganization of National Envelope Corp. is likely to be converted to liquidation in Chapter 7 at a Nov. 15 hearing, the official creditors' committee wants the bankruptcy judge at the same hearing to strip the yet-to-be-selected trustee of the ability to sue company officers, directors, and others.

This week the committee filed a motion describing negotiations with shareholders Joan Levy and Avery Levy. They claim to have direct claims against company insiders that don't belong exclusively to the company.

To compromise the dispute, the committee and the Levys signed an agreement calling for joint investigation and joint prosecution of lawsuits, with proceeds split roughly 50/50 between the Levys and creditors.

At the Nov. 15 hearing on the company's motion to convert the case to liquidation, the committee wants the judge to approve the agreement, which in substance would preclude the trustee from suing insiders or making decisions about settlement.

The committee and the Levys say they intend to investigate and perhaps sue officers and directors, plus professionals working for NEC both before and after the Chapter 11 filing in June 2010.

NEC, once the largest privately-held envelope manufacturer in the U.S., sold the business last year. Not able to find a buyer for an environmentally contaminated New Jersey plant, NEC said conversion to liquidation in Chapter 7 is necessary.

New Jersey environmental regulators filed a response to the conversion motion, citing law for the proposition that moving the case into Chapter 7 doesn't remove liability for rectifying pollution.

Gores Group LLC bought the business in September 2010 under a contract with an advertised price of \$208 million, including cash of \$149.85 million.

Based in Uniondale, New York, NEC filed under Chapter 11 in June 2010, saying assets and debt were both less than \$500 million. Liabilities included \$74.3 million on a secured term loan, \$70.6 million on a secured revolving credit, and \$89 million owing on unsecured debts to trade suppliers.

The case is *In re NEC Holdings Corp.*, 10-11890, U.S. Bankruptcy Court, District of Delaware (Wilmington).

#### Broadstripe Reports \$2 Million September Net Loss

Broadstripe LLC, the broadband cable operator scheduled for approval of a reorganization plan at a Dec. 8 confirmation hearing, filed an operating statement showing a \$2 million net loss in September on revenue of \$7.56 million. Depreciation in the month was \$1.8 million while interest expense on senior debt was \$1.69 million.

Now based in Dallas, Broadstripe has a plan that calls for selling the business to four buyers for about \$95 million. For details on the plan, click here for the Oct. 28 Bloomberg bankruptcy report.

At the beginning of the reorganization in January 2009, Broadstripe had 93,000 customers in Maryland,

Michigan, Washington State, and Oregon. It was created through four acquisitions in 1998 and 1999 and filed for Chapter 11 reorganization in January 2009.

The case is In re Broadstripe LLC, 09-10006, U.S. Bankruptcy Court, District of Delaware (Wilmington).  
Downgrade

Penson Downgraded on Loss, Stock Makes Record Low

Penson Worldwide Inc., a provider of clearing and margin lending services for the brokerage industry, received a one-notch downgrade yesterday from Standard & Poor's following announcement of a \$10.6 million loss from continuing operations in the September quarter. The \$200 million second-lien debt slipped to B while the counterparty rating is now B+.

S&P predicts it will take "at least several quarters" before Penson has operating income. Next year, S&P projects the "company will break even, at best." The weakness in earnings results from low interest rates and low trading volume, S&P said.

In the second quarter, Penson had a \$48 million net loss on revenue of \$78 million. The loss was exaggerated by a \$43 million asset writedown from a margin loan to a company with which a former director was affiliated.

For 2010 Penson had a \$19.8 million net loss on net revenue of \$288.3 million.

The shares closed yesterday at a record low of \$1.08, down 8 cents in Nasdaq Stock Market trading. The closing high in the past three years was \$12.04 on May 26, 2009.

Daily Podcast

MF Global, NewPage, Borders, Hovnanian: Bankruptcy Audio

With MF Global Holdings Ltd. and its brokerage subsidiary in bankruptcy, the bankruptcy podcast with Bloomberg Law's Lee Pacchia and Bloomberg News bankruptcy columnist Bill Rochelle deciphers who will bear the loss by looking at trading in the company's stock and bonds. NewPage Corp. and Borders Group Inc. are set up as examples of companies where the return to creditors will be small. Rochelle describes how homebuilder Hovnanian Enterprises Inc. successfully completed a distressed tender offer, although the bond market is still flashing a warning signal. The podcast wraps up by discussing a new and debatable opinion by Richard A. Posner, one of the country's leading federal circuit court judges. To listen, click here. --With assistance from Steven Ludsin in New York and Dawn McCarty and Michael Bathon in Wilmington, Delaware. Editors: Mary Romano, Peter Blumberg

Link: <http://news.businessweek.com/article.asp?documentKey=1376-LUEYYJ1A1I4J01-2R3QA22GEEMQHJAVO7INN4MIO>





REAL ESTATE

## Sports Authority to replace Filene's Basement in Arsenal Mall

Chris Reidy, Globe Staff

11/11/2011 10:03 AM

The [Sports Authority](#) retail chain plans to open a 33,000-square-foot store in Watertown's [Arsenal Mall](#) next spring and replace a Filene's Basement store that is scheduled to close at the end of the year, said the mall's operator, [Simon Property Group](#).

A Colorado-based chain of roughly 460 stores, Sports Authority focuses on sporting apparel and athletic equipment.

Just over a week ago, the parent of Filene's Basement announced plans for the chain to shut down in January, a victim of fierce competition and a tough economy.

According to Arsenal Mall's website, its store line-up includes Marshalls, Old Navy, Gap Outlet, and Home Depot.

Headquartered in Indiana, Simon Property is a large owner, developer, and manager of shopping malls.

Chris Reidy can be reached at [reidy@globe.com](mailto:reidy@globe.com).

Link:<http://www.boston.com/Boston/businessupdates/2011/11/arsenalmall/pumDWJV3jLtoA8HkXbdlqK/index.html>

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## SECAUCUS BRIEFS

Nov 13, 2011 | 122 views

### **Secaucus-based Syms to close**

Secaucus-based Syms Corp. and its subsidiary, Filene's Basement LLC, filed for Chapter 11 bankruptcy protection last week, according to news reports. The retailer experienced significant operating losses over the past two years and could not find a buyer after going up for sale last May. Syms expects to close in January. It will liquidate assets and sell its inventory and real estate in the coming weeks. The company has 2,500 employees and 46 stores. The company first opened its doors in 1959.

Link: [http://hudsonreporter.com/view/full\\_story/16405378/article-SECAUCUS-BRIEFS?instance=secondary\\_stories\\_left\\_column](http://hudsonreporter.com/view/full_story/16405378/article-SECAUCUS-BRIEFS?instance=secondary_stories_left_column)



# World Daily News Online

World newspaper online in english from foreign countries and region.

## U.S. well-known discount clothing chains file for bankruptcy

U.S. well-known discount clothing chains file for bankruptcy

13 November 2011 | Filed under: Industries, Latest World News, News the Year 2011 | Posted by: business U.S. well-known discount clothing chains file for bankruptcy

U.S. discount clothing chains Filene's Basement and its parent company Syms filed for bankruptcy protection Wednesday in the face of the challenging economic downturns.

"We have been faced with increased competition from large department stores that now offer the same brands as our stores at similar discounts," said Syms CEO Marcy Syms in a statement, adding that "filing for bankruptcy and pursuing a liquidation of the stores was not a step we took lightly".

The liquidation of stores is expected to run through approximately January 2012 and then more than two dozen Syms and Filene's Basement stores will shut for good.

Syms, founded in 1959, is most well-known for its longtime tag line that "an educated consumer is our best customer", and Filene's Basement is famous for its annual "Running of the Brides" with hundreds of women scrambling for discounted wedding dresses.

Editor: Chen Zhi

Link: <http://www.worlddailynews.org/latest-world-news/2011/11/13/u-s-well-known-discount-clothing-chains-file-for-bankruptcy/>

## Commentary: Filene's Basement's final discount

Published: Monday, November 14, 2011, 6:54 AM

Updated: Monday, November 14, 2011, 8:26 AM



Associated PressMike Gore walks out of Filene's Basement with his purchases on Nov. 3, 2011, in Warrensville Heights, Ohio. Discount retailer Syms Corp. and its subsidiary Filene's Basement have filed for bankruptcy protection and plan to close all 46 of their stores. Syms acquired Filene's Basement out of bankruptcy protection in the spring of 2009 for \$62.4 million, but struggled to turn the chain around. This is the third bankruptcy protection involving the Filene's Basement chain.

Many of us remember descending into Filene's Basement in Downtown Crossing, just off the common in Boston, to hunt for bargains long before everyday discounts became an ordinary fact of retail life. A tourist destination that was uniquely Boston, Filene's Basement's bumpy road finally came to an end last week. It descended into bankruptcy again, this time a liquidation, and the final markdowns will take place during the holiday season and end early next year.

Filene's Basement's 21 stores will shutter and more than 1,500 employees will be out of work, some 500 in Massachusetts.

If there is a moral to the story, it's about the savage dislocation that has taken place in retailing in the past 15 years. Amid the explosion of e-tailing, the advent of the big box retailers, and the growth of low-cost goods from China and elsewhere, it's very difficult for the midsize players to hang on. Margins are tight and scale is everything.

Yet there's still plenty of room for the unique boutique. That, in essence, is how Filene's Basement started. Then it broke away from parent Filene's and expanded, but found itself neither here nor there as a regional retailer.

It's disappointing that the Basement will never make its much-anticipated comeback in Downtown Crossing.

[http://www.masslive.com/business-news/index.ssf/2011/11/commentary\\_filenes\\_basements\\_final\\_disco.html](http://www.masslive.com/business-news/index.ssf/2011/11/commentary_filenes_basements_final_disco.html)





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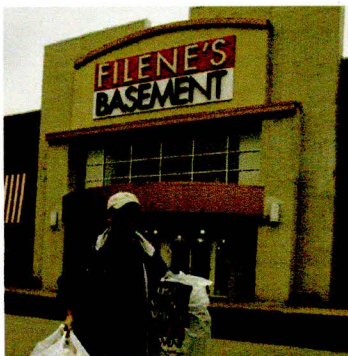
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Link: [http://www.masslive.com/business-news/index.ssf/2011/11/commentary\\_filenes\\_basements\\_final\\_disco.html](http://www.masslive.com/business-news/index.ssf/2011/11/commentary_filenes_basements_final_disco.html)



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# Colliers Retail Report

A LOOK INTO BOSTON'S RETAIL REAL ESTATE SCENE

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## Sports Authority to replace Filene's Basement in Arsenal Mall

Posted by [Colliers International Boston Retail and Restaurant Watch](#) · November 14, 2011 · [Leave a Comment](#)

The [Sports Authority](#) retail chain plans to open a 33,000-square-foot store in Watertown's [Arsenal Mall](#) next spring and replace a Filene's Basement store that is scheduled to close at the end of the year, said the mall's operator, [Simon Property Group](#).

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Headquartered in Indiana, Simon Property is a large owner, developer, and manager of shopping malls.

Link: <http://colliersboston.wordpress.com/2011/11/14/sports-authority-to-replace-filene%E2%80%99s-basement-in-arsenal-mall/>



here &  
NOW



Monday, November 14, 2011

## Tell Us Your Filene's Basement Memories



Women grab dresses in a 2008 "Running of the Brides" sale at Filene's Basement. (AP)

Filene's Basement recently declared [bankruptcy](#). On Black Friday, we're going to take a look back at the historic retailer and its impact on discount shopping. We want to hear your memories.

Have you ever shopped there? Did you find your gown during the infamous "Running of the Brides?" Or maybe you just found a great deal there. Leave us a comment.

Link: <http://hereandnow.wbur.org/2011/11/14/filenes-basement-memories>

# Bloomberg Businessweek

**HOME / TOP NEWS**

November 14, 2011 1:15 PM

## Shareholder Says Syms Is Solvent, Filene's Insolvent

The creditors' committee for discount retailers Syms Corp. and subsidiary Filene's Basement LLC selected Hahn & Hessen LLP and Richards Layton & Finger PA as the panel's attorneys.

In advance of tomorrow's hearing for authority to conduct going-out-of-business sales at all 46 stores, landlords filed objections often seen in similar cases. Landlords argued that liquidators can't use signs or banners not permitted by the leases. One objecting landlord is Saul and Stanley Zabar.

Syms shareholder Esopus Creek Value Series Fund LP, objecting to sale procedures, said in its papers that Syms is solvent while Filene's isn't. To protect shareholders, Esopus wants the judge to incorporate protections into sale approval so expenses run up by Filene's aren't paid by Syms. Esopus also argues that the liquidators' guarantee of a minimum recovery of 90 percent of the cost of merchandise is "illusory." The long-time shareholder points to provisions in the contract with the liquidators where the guarantee evaporates should the inventory value come in below a specified level.

The apparel discounters filed for liquidation under Chapter 11 on Nov. 2. The creditors' committee includes real estate owners Vornado Realty Trust, Rabina Properties LLC, and the Zabars. Lender Rosenthal & Rosenthal and apparel maker PVH Corp. are also on the committee.

The stock price continues indicating that Syms should be a solvent liquidation, meaning creditors of Syms would be paid in full with cash left over for stockholders. The day before the Chapter 11 filing, the stock closed at \$7.67. After bankruptcy, the price rose 33 percent to close at \$10.17 on Nov. 3. Since then, the stock has consistently fallen. On Nov. 11, the stock closed at \$8.19, down 61 cents a share on the Nasdaq Stock Market.

After the store inventory is liquidated, the 15 company-owned stores will be sold separately. For details on the proposed GOB sales, click here for the Nov. 3 Bloomberg bankruptcy report. Secaucus, New Jersey-based Syms purchased Filene's through a bankruptcy auction in June 2009 in what was Filene's second venture in Chapter 11. There are 25 Syms stores and 21 Filene's locations. Assets were listed for \$236 million, including real estate on the books for \$97.7 million. Liabilities are \$94 million, including \$31.1 million owing on a revolving credit with Bank of America NA as agent. In addition, there are \$11.1 million in letters of credit outstanding on the revolver.

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Link: <http://news.businessweek.com/article.asp?documentKey=1376-LUINRC1A1I4H01-464UIMJBBMAF8BU42E6VG1T0JB>



Posted Date: 11/15/2011

## Store Closings to Jump 37.5% in 2012

By Caterina Pontoriero

Christopher & Banks, Syms and Filene's Basement are the most recent retailers to shutter some of their stores, bringing the total number of store closings so far in 2011 to 3,126. While this may seem like a large figure, it's actually the lowest number of store closings in a year for the past 10 years, according to [an article on Retailtrafficmag.com](#).

But the slowdown in store closings in 2011 doesn't necessarily mean that the economy and consumer confidence are recovering. According to Michael S. Wiener, president and CEO of Excess Space Retail Services Inc., a national consulting and advisory firm, total store closings in 2012 will most likely top 5,000 — and that's not including closings due to bankruptcies and liquidations.

Why the higher number next year? The article cites continued low consumer confidence and economic uncertainty among retailers as potential contributors to decreased sales. Additionally, since the financial crisis of 2008, many retailers have already restructured a significant number of their leases, so if stores are not bringing in a sufficient volume of profitable sales now, even lower rents can't save them.

There are other signs that 2011's 3,100-plus store closings represent a recent historical low. With the strong growth of e-commerce during the past decade, the U.S. retail industry may simply be slimming down an "over-stored" landscape. Five years during the past decade have seen total store closings of over 5,000, with 2001 setting the record at 7,041.

While the recession of 2008 is still fresh in retailers' minds (coming in second with a total of 6,913 store closings), it clearly did not have the biggest impact on store closings, indicating that other factors aside from the direct state of the economy contribute to poor sales volume and, in turn, store closings.

The article also notes that the majority of store closings in 2011 have been in the books, apparel and footwear verticals. However, looking ahead to 2012, the electronics sector is also in danger, as well as small to mid-tier department stores.

Given financial uncertainty across the globe, it seems that both consumers and retailers will remain cautious in 2012. The projected 5,000 store closings in 2012 could even be a conservative estimate: Andy Graiser, co-president of DJM Realty, notes that the number "could go much higher if some of [these] uncertainties took a turn for the worse."

Below is the number of store closings per year for the past 10 years:

2001: 7,041  
2002: 5,950  
2003: 4,973  
2004: 6,303

2005: 4,269  
2006: 4,730  
2007: 4,603  
2008: 6,913  
2009: 4,811  
2010: 5,572  
2011: 3,126

For related content: **Christopher & Banks Closes 100 Stores, Cuts Workforce**

**Syms and Filene's File for Chapter 11 Bankruptcy Protection**

Link: <http://risnews.edgl.com/retail-trends/Store-Closings-to-Jump-37-5--in-201276804>



## MARKET SNAPSHOT

| U.S.     | EUROPE   | ASIA          |
|----------|----------|---------------|
| STOXX 50 | 2,262.45 | +8.45 0.37%   |
| FTSE 100 | 5,488.69 | -28.75 -0.52% |
| DAX      | 5,889.91 | -43.23 -0.73% |



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+1.09% Dow 12,096.20 +0.14% S&P 500 1,257.81 +0.48% FTSE 100 5,488.69 -0.52% STOXX 50 2,262.45 +0.37% DAX 5,889.91 -0.73% Oil (W

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## Syms, Filene's Win Approval to Hold Store Closings Sales

Q  
By Michael Bathon - Nov 15, 2011 8:09 PM ET

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Bankrupt discount-clothing retailer [Syms Corp. \(SYMS\)](#) and its Filene's Basement LLC unit won court approval to conduct going-out-of-business sales to liquidate their inventory.

U.S. Bankruptcy Judge Kevin Carey said at a hearing today in Wilmington, [Delaware](#), that he will approve the company's agreement with a joint venture of Gordon Brothers Retail Partners LLC and Hilco Merchant Resources LLC to run the liquidation sales.

"The terms of the agency agreement have been improved" for the benefit of the estate, as a result of negotiations that took place following objections from creditors and shareholders to the agreement with liquidators, Mark S. Chehi, a lawyer for the retailers, told Carey.

The agreement guarantees a payment of 90 percent of the cost of inventory, according to court documents. The agreement assumed an inventory cost of \$65 million.

Originally, the percentage of the guaranteed payment would have been reduced if the inventory value turned out to be less than \$64 million. Under the modified agreement the reduction would now begin at \$62 million, according to creditors' attorney Mark T. Power.

Another provision that was changed would have eliminated the guaranteed amount, replacing it with a negotiated payment percentage if the inventory value fell below a certain level.

Expenses of the sales at Syms and Filene's and the proceeds generated from them will be segregated from each other.

### Real Estate

Syms sought [bankruptcy protection](#) this month, listing assets of \$236 million, including \$97.7 million in real estate inventories, and liabilities of \$94 million, according to court papers.

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Sales at Syms and Filene's have continued to fall due to the prolonged economic decline, which has diminished [consumer confidence](#) and discretionary spending, and competition from other discount retailers, according to court documents.

[New Jersey](#)

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The lead case is In re Filene's Basement LLC, 11-13511, U.S Bankruptcy Court, District of Delaware (Wilmington).

To contact the reporter on this story: Michael Bathon in Wilmington, Delaware, at [mbathon@bloomberg.net](mailto:mbathon@bloomberg.net).

To contact the editor responsible for this story: John Pickering at [jpickering@bloomberg.net](mailto:jpickering@bloomberg.net).

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## Syms, Filene's Win Approval to Hold Store Closings Sales

*By Michael Bathon - Nov 15, 2011*

Bankrupt discount-clothing retailer [Syms Corp. \(SYMS\)](#) and its Filene's Basement LLC unit won court approval to conduct going-out-of-business sales to liquidate their inventory.

U.S. Bankruptcy Judge Kevin Carey said at a hearing today in Wilmington, [Delaware](#), that he will approve the company's agreement with a joint venture of Gordon Brothers Retail Partners LLC and Hilco Merchant Resources LLC to run the liquidation sales.

"The terms of the agency agreement have been improved" for the benefit of the estate, as a result of negotiations that took place following objections from creditors and shareholders to the agreement with liquidators, Mark S. Chehi, a lawyer for the retailers, told Carey.

The agreement guarantees a payment of 90 percent of the cost of inventory, according to court documents. The agreement assumed an inventory cost of \$65 million.

Originally, the percentage of the guaranteed payment would have been reduced if the inventory value turned out to be less than \$64 million. Under the modified agreement the reduction would now begin at \$62 million, according to creditors' attorney Mark T. Power.

Another provision that was changed would have eliminated the guaranteed amount, replacing it with a negotiated payment percentage if the inventory value fell below a certain level.

Expenses of the sales at Syms and Filene's and the proceeds generated from them will be segregated from each other.

### **Real Estate**

Syms sought [bankruptcy protection](#) this month, listing assets of \$236 million, including \$97.7 million in real estate inventories, and liabilities of \$94 million, according to court papers.

The company said seeking court protection was the best way to maximize value for its stakeholders, saying shareholders should see a recovery after the business is liquidated and its valuable real estate is sold.

Sales at Syms and Filene's have continued to fall due to the prolonged economic decline, which has diminished [consumer confidence](#) and discretionary spending, and competition from other discount retailers, according to court documents.

### **New Jersey**

The company, based in Secaucus, New Jersey, bought Filene's Basement in a bankruptcy auction for about \$64.4 million in June 2009. The company has 25 Syms stores and 21 Filene's Basement locations. Syms owns 15 of its store locations and plans a separate sale process for its real estate. Syms, founded by Sy Syms in 1958, has about 910 employees, according to court documents.

Syms rose 32 cents, or 4 percent, to \$8.22 at the close in [New York](#).

Filene's was founded by Edward Filene in 1909, when he opened up his Boston basement to clear out merchandise from his family's department store, eventually leading other retailers to bring their unsold goods to him, according to the store's [website](#).

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To contact the reporter on this story: Michael Bathon in Wilmington, Delaware, at [mbathon@bloomberg.net](mailto:mbathon@bloomberg.net).

To contact the editor responsible for this story: John Pickering at [jpickering@bloomberg.net](mailto:jpickering@bloomberg.net).

Link: <http://www.bloomberg.com/news/2011-11-16/syms-filene-s-win-approval-to-hold-store-closings-sales-1-.html>



## **Syms Files Chapter 11; F.C. Store to Close January 9**

By Sally D. Cole

Tuesday, November 15 2011 07:22:53 PM

Syms, the 52-year-old discount department store chain which purchased Filene's Basement in 2009 bankruptcy auction, has filed for Chapter 11 bankruptcy protection and is shutting down all of its stores by the end of January.

The New Jersey based retailer was founded in 1959 by Sy Syms and is currently headed Marcy Syms. Filene's Basement was founded on 1909 by Edward A. Filene, son of William Filene who founded Filene's. Syms will be closing all of its 25 Syms and 21 Filene's Basement stores which together provide work for almost 2,500 employees. The Falls Church location in Seven Corners will close January 9.

For more information visit [www.syms.com](http://www.syms.com)

Link: <http://www.fcnpc.com/business/10503-syms-files-chapter-11-fc-store-to-close-january-9/>



## Syms, Filene's Get Green Light For Liquidation

By **Lance Daroni**

Law360, Wilmington (November 15, 2011, 7:36 PM ET) -- A Delaware bankruptcy judge on Tuesday cleared [Syms Corp.](#) and Filene's Basement LLC to conduct going-out-of-business sales at the clothing retailers' 46 stores and use the proceeds to pay off \$31 million in secured debt.

U.S. Bankruptcy Judge Kevin J. Carey said at a court hearing that he would sign off on the agreement with the liquidators — Hilco Merchant Resources LLC and Gordon Brothers Retail Partners LLC — after the debtors amend the order to reflect the resolution of objections from unsecured creditors, certain state attorneys general and shareholders.

Under the agreement, the liquidators guarantee Syms will receive 90 percent of the cost value of the merchandise, according to court documents, and the liquidators will advance 80 percent of that amount to the debtors to pay off the secured debt and otherwise fund the bankruptcy. Syms estimates the value of the inventory at around \$65 million, but the 90 percent guarantee could be adjusted if the value proves lower.

Secaucus, N.J.-based Syms bought Filene's Basement out of bankruptcy in 2009 for \$62.4 million. But the expected synergies between the discount clothing retailers didn't pan out, and the current economic upheaval created intense competition in their niche, leading the companies to file for court protection on Nov. 2.

Mark Chehi of [Skadden Arps Slate Meagher & Flom LLP](#), an attorney for the debtors, said that while there were numerous objections to the sale, none challenged the big picture that the sales should move forward quickly to take advantage of the holiday shopping season and were "the best way to maximize value for the estates."

The company resolved objections from various state attorneys general concerning



signage at the sales and made minor tweaks to the financial terms of the agreement to satisfy the official committee of unsecured creditors, according to the attorney.

Shareholder Esopus Creek Value Series Fund LP, a member of the newly formed equity committee in the case, objected as well, saying the order needed to ensure that the two companies' revenues, assets and liabilities were kept separate to prevent Syms shareholders' equity from being "improperly cannibalized" for the benefit of Filene's Basement's creditors.

Syms has advanced some \$39 million to prop up Filene's Basement since the acquisition, debtor attorney Jay Goffman of Skadden noted at a previous hearing. The company also expects the liquidation to pay off all Syms creditors and provide some recovery for its shareholders, he said.

At Tuesday's hearing, Goffman assured the shareholder on the record that Syms and Filene's Basement "carefully track everything with respect to the two different businesses."

Syms listed assets of \$228 million and debts of \$57 million as of September in its bankruptcy petition, which also names subsidiaries Syms Clothing Inc. and Syms Advertising Inc.

The company operates off-price retail stores in 13 states that sell a broad range of designer and brand-name labels. Founded in 1959 by Sy Syms, it currently operates 21 stand-alone stores, mostly in the Northeast.

Filene's Basement, which was founded in Boston in 1909, operates 20 stand-alone stores. There are also five joint Syms/Filene's Basement stores.

The bankruptcy is Filene's third stint in Chapter 11, the first coming in 1998 after a massive but unsuccessful expansion strategy, and the next in May 2009, which resulted in the sale to Syms.

Syms is represented by Mark S. Chehi, Jay Goffman, Nancy Lieberman, Morris Kramer and Mark McDermott of Skadden Arps Slate Meagher & Flom LLP.

The official committee of unsecured creditors is represented by Mark T. Power, Janine M. Cerbone and Alison M. Ladd of Hahn & Hessen LLP and Paul N. Heath and Michael J. Merchant of Richards Layton & Finger PA.

The case is In re: Filene's Basement LLC, case number 1:11-bk-13511, in the U.S. Bankruptcy Court for the District of Delaware.

--Additional reporting by Lisa Uhlman. Editing by Cara Salvatore.

Link: <http://www.law360.com/articles/286102>



# Bloomberg Businessweek

HOME / TOP NEWS

November 16, 2011 2:27 PM

Harrisburg, MF Global, Madoff, Syms, Lehman: Bankruptcy  
(Updates MF Global with request to transfer collateral.)

Franklin, Two Other Shareholders on Syms Equity Committee

Discount retailers Syms Corp. and subsidiary Filene's Basement LLC have an official committee to represent shareholders. The members are a fund advised by Franklin Resources Inc., Esopus Creek Value Series Fund LP and DS Fund I LLC.

With 9.2 percent of the stock as of Sept. 30, Franklin is the second-largest shareholder, according to data compiled by Bloomberg. The only larger holding is by Marcy Syms, the company's chairman. As an insider, she was ineligible for committee service. There is an official equity committee in recognition of the possibility that Syms is solvent.

At a hearing yesterday, the bankruptcy court in New York gave authorization to conduct going-out-of-business sales at all 46 stores. Responding to objections from some creditors, the agreement with the liquidators was improved, the company's lawyer told the judge. For Bloomberg coverage of the hearing, [click here](#).

In answer to an objection by Esopus, proceeds from the Syms and Filene's stores will be segregated. The shareholder wanted segregation because it believes Filene's won't generate enough to pay its creditors in full while Syms will.

The apparel discounters filed for liquidation under Chapter 11 on Nov. 2. The 15 owned stores will be sold after the GOB sales.

The stock price supports the notion that Syms will be a solvent liquidation, with creditors paid in full and cash left over for stockholders. The day before the Chapter 11 filing, the stock closed at \$7.67. After bankruptcy, the price rose 33 percent to close at \$10.17 on Nov. 3. Yesterday, the stock closed at \$8.22, up 32 cents in over-the-counter trading.

Syms, based in Secaucus, New Jersey, purchased Filene's through a bankruptcy auction in June 2009 in what was Filene's second venture in Chapter 11. There are 25 Syms stores and 21 Filene's locations.

Assets were listed for \$236 million, including real estate on the books for \$97.7 million. Liabilities are \$94 million, including \$31.1 million owing on a revolving credit with Bank of America NA as agent. In addition, there are \$11.1 million in letters of credit outstanding on the revolver.

The case is In re Filene's Basement LLC, 11-13511, U.S. Bankruptcy Court, District of Delaware (Wilmington).

<http://news.businessweek.com/article.asp?documentKey=1376-LUQ2ES07SXXKZ01-0ST6BN0JK0U5VF8E514LJ8H9GT>



## Filene's going-out-of-biz sale starts today

Eileen Ambrose

11:33 a.m. EST, November 16, 2011

Filene's Basement says its going-out-of-business sale kicks off today in Baltimore and other locations. Similar liquidation sales will be held at Syms stores in other states.

More than \$100 million worth of merchandise at the 39 stores will be up for sale, the retailer says. Discounts will run up to 30 percent off. Gift cards will be accepted, although any purchased made today or later will be final.

Filene's has a store at 600 E. Pratt St., near the Inner Harbor in Baltimore, as well as three stores in neighboring Washington.

Syms and Filene's, both under bankruptcy court protection, received approval from the court for the sale. The retailers said earlier that the stores are expected to remain open until January.

<http://www.baltimoresun.com/business/consuming-interests-blog/bal-consuming-interests-filene-goingoutofbiz-sale-starts-today-20111116,0,5881813.story>



## **Going-Out-Of-Business Sale Starts At Filene's Basement/Syms Stores**

By KORKY VANN, kvann@courant.com The Hartford Courant

*6:15 p.m. EST, November 16, 2011*

Syms/Filene's Basement has started its going-out-of-business sale. The chain is liquidating more than \$100 million of designer clothing and accessories at 39 stores across the country, including two in Connecticut.

Currently, all inventory, including men's and women's business attire, sportswear, outerwear and children's apparel, toys and gifts are up to 30 percent off. The sale continues until all merchandise and store fixtures have been sold. All purchases are final sale.

Connecticut stores are at 267 Berlin Turnpike in Berlin and 652 Commerce Drive in Fairfield. Information: Filenesbasement.com

<http://www.courant.com/shopping/savvy-shopper/hc-going-out-business-sale-at-filenes-basementsyms-20111116,0,4415289.story>



November 16, 2011

### Syms-Filene's Basement liquidation sale starts

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The bankruptcy close-out of the Syms-Filene's Basement off-price chain starts Wednesday, with more than \$100 million of inventory being liquidated at 39 stores -- two of them in Connecticut.

Boston liquidator Gordon Brothers Group is overseeing the bankruptcy-court approved close-out, authorities say. The sale continues until all merchandise and store fixtures have been sold.

There 19 Syms and 14 Filene's Basements, plus another six combination Syms-Filene's Basement outlets, in 12 states and Washington D.C.

Aside from the 267 Berlin Turnpike store in Berlin, Syms/Filene's Basement also operates a store at 652 Commerce Drive in Fairfield.

<http://www.hartfordbusiness.com/news21481.html>





November 16, 2011

## Down in the dumps in the Basement

I've held off from writing about the demise of Filene's Basement because I'm so damn angry at the idiots at Syms for destroying a Boston institution.

But now the liquidation sale has started, and I'm bracing myself for my last trip inside a store I loved - and was, admittedly, addicted to. How am I going to replace that fix?

I've been shopping the Basement for years. When the Downtown Crossing store closed, I moved my shopping enterprise to Needham St., in Newton. Like most devotees, I saw Syms' takeover as a positive, but my recent excursions were downright depressing. The bland signage was Syms'. Ditto the diluted merchandise. In the last few days, I hit the Needham St., and Arsenal Mall stores (the latter was already in going-out-of-business mode). I was desperate for one more magical find, and came close on a Piazza Sempione dress. Alas the size gods were working against me.

Feeling nostalgic, I'm wondering if anyone has good Basement stories to share. Feel free to comment here or email me at [jill.radsken@bostonherald.com](mailto:jill.radsken@bostonherald.com).

[http://news.bostonherald.com/blogs/entertainment/jills\\_boston\\_style/?p=725&srvc=home&position=recent](http://news.bostonherald.com/blogs/entertainment/jills_boston_style/?p=725&srvc=home&position=recent)

**News**

Filene's Basement going-out-of-business sale starts today November 16

Published: Wednesday, November 16, 2011



Marketwatch is reporting that 14 Filene's Basement, 19 SYMS and 6 combined store locations in 12 states, including Connecticut, Massachusetts, and New York are going out of business.

For early Christmas shoppers this is great news, as their going-out-of-business sale starts today, with discounts up to 30% off the lowest ticketed price on all merchandise at every location that is closing.

On top of the inventory of men's, women's business attire, sportswear, outerwear, and children's apparel including designer labels the stores will also be selling off all furniture, fixtures, and equipment.

Gift cards don't need to panic - cards will still be honored. The only drawback, aside from the employees joining the unemployment line, is that all sales made on November 16 or after are final.

There are two stores in Connecticut that will be closing - one in Hartford at 267 Berlin Turnpike and one in Fairfield at 652 Commerce Drive.

To read more on the financial aspect of the closures, click here for the full article from MarketWatch.com.

<http://www.registercitizen.com/articles/2011/11/16/news/doc4ec419becc214236522979.txt>



AROUND THE REGION

## Filene's Basement final sale starts

GLOBE WIRE SERVICES NOVEMBER 16, 2011

Bankrupt discount-clothing retailer Syms Corp. and its Filene's Basement LLC unit won court approval to conduct going-out-of-business sales to liquidate their inventory.

US Bankruptcy Judge Kevin Carey said yesterday that he will approve the company's agreement with a joint venture of Gordon Brothers Retail Partners LLC and Hilco Merchant Resources LLC to run the liquidation sales.

The going-out-of-business sales will start today at 14 Filene's Basement stores, 19 Syms locations, and six combined locations, Gordon Brothers said in a statement last night.

Syms and Filene's Basement gift cards will be honored throughout the sale, the statement said.

Sales at Syms and Filene's have continued to fall due to the prolonged economic decline, which has diminished consumer confidence and discretionary spending, and competition from other discount retailers, according to court documents.

Link: <http://www.bostonglobe.com/business/2011/11/16/filene-basement-final-sale-starts/hstrdobBuyubySVIwH4wcN/story.html>

# Bloomberg Businessweek

November 16, 2011

## Franklin, Two Other Shareholders on Syms Equity Committee

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The case is In re Filene's Basement LLC, 11-13511, U.S. Bankruptcy Court, District of Delaware (Wilmington).

Link: <http://news.businessweek.com/article.asp?documentKey=1376-LUQ2ES07SXXZ01-0BEJ7D03BDDSCNPKILD5VM9SM9>



**RACKED**

Spot Check

## Filene's Basement Markdowns Have Begun in Union Square

Friday, November 18, 2011, by [Racked Staff](#)



As of Wednesday, Filene's Basement has officially begun liquidating in New York City. According to a sign in the lobby of the Union Square location yesterday, everything is between 10% to 30% off the lowest ticketed price. All dresses and outerwear are 30% off, and men's tailored clothing is 30%. For now, the deals aren't so good that the store is besieged by

mayhem. But we'll settle for crowdless aisles filled with already-discounted designer clothing on semi-sale.

We sifted through three floors of racks to come across some cool pieces and deals. In the men's section of the fourth floor, we spotted a Missoni sweater for \$143.99 (from \$179.99), a multi-print Missoni patchwork jacket for \$559.99 (from \$699.99), a military-green Hart Schaffner pea coat for \$159.99 (from \$199.99), a black Michael Kors leather jacket for \$159.99 (from \$199.99), and a three-piece gray plaid MICHAEL Michael Kors suit for \$167.99 (from \$239.99). Men's shirts and ties were marked down by 10%.

[Leopard-print coats and Pierre Hardy shoes, this way>>](#)

In the handbag section of the fifth floor, we liked a grapefruit-pink Calvin Klein leather tote for \$125.99 (from \$139.99), a periwinkle Calvin Klein leather crossbody bag for \$40.49 (from \$59.99), a brown snakeskin-print Cole Haan crossbody bag for \$75.57 (from \$111.96), and an Elliott Lucca hobo for \$50.60 (from \$74.96). Not huge markdowns, sure—but enough to tell yourself you're saving some money.

Standouts in the women's clothing section included a Vivienne Vivienne Tam red houndstooth jacket for \$44.99 (pretty, but only marked down from \$49.99), a velvet Nanette Lepore dress (in different jewel tones) for \$179.99 (from \$199.99), and a printed yellow-green Missoni blazer for \$559.99 (from \$699.99). A tan leather Gianfranco FERRE skirt was buttery-soft and 20% off, though it had no price tag. Three Valentino deals caught our eye: A black knit dress with a crocheted peter pan collar, a baby-pink lace top, and a lipstick-red tiered chiffon skirt, each \$319.99 (from \$399.99.)

In the middle of the floor, we also spotted a pair of gorgeous, strappy Giuseppe Zanotti for Balmain heels for \$359.99 (from \$399.99), funky Pierre Hardy heels for \$431.99 (from \$479.99), metallic pinkish-red Jean Michel Cazabat heels for \$125.99 (from \$139.99), and Robert Clergerie for Barneys New York baby-blue and tan suede heels for \$116.99 (from \$129.99). The sixth floor was home to lingerie at 10% off, as well as some sweater and party dresses and a whole lot of women's outerwear and more shoes. Among the racks were some black Betsey Johnson puffer coats for \$95.99 (from \$119.99), which is convenient as it's freezing outside today. Leopard-print was well-represented between London Fog's spotted trenches (\$79.99 from \$99.99) and Calvin Klein's faux-fur coats (\$143.99 from \$179.99.) And if you're looking for a classic pea coat, you can choose between Kors Michael Kors in beige for \$199.99 (from \$249.99) and Dale Dressin in navy blue for \$239.99 (from \$299.99). Shoe-wise, we liked Gianfranco FERRE black/camel strappy leather heels for \$161.99 (from \$179.99), and black, jewel-strapped Calvin Klein heels for \$69.97 (from \$99.95).

Overall, the higher-end stuff is still fairly pricey, but if you don't mind shelling out a few Benjamins, you may want to peruse these racks, since there are quite a few standouts. Otherwise wait till those crazy markdowns start.—KatherinePark

[http://ny.racked.com/archives/2011/11/18/lenes\\_basement\\_2.php](http://ny.racked.com/archives/2011/11/18/lenes_basement_2.php)





## **In brief**

Alexander Soule | Nov 18, 2011

### **Doors close on Filene's Basement**

In the wake of its bankruptcy filing for subsidiary Filene's Basement, Syms Corp. is laying off 30 people in Fairfield and the same number in Berlin.

Syms is closing its store at 652 Commerce Drive in Fairfield, less than three years after acquiring Filene's Basement out of a previous bankruptcy process.

<http://westfaironline.com/2011/17425-in-brief-67/>



## **Syms & Filene's Basement Store Gift Cards Accepted As Part Of Bankruptcy**

Last updated Nov 18, 2011, 11:27 am

Connecticut Attorney General George Jepsen and Consumer Protection Commissioner William M. Rubenstein are advising consumers that the U.S. Bankruptcy Court for the District of Delaware has approved the terms of liquidation sales for all Syms and Filene's Basement stores, including two in Connecticut in Berlin and Fairfield.

The company filed for bankruptcy protection earlier this month. The sales are expected to begin as early as today and continue possibly through Jan. 31, although the sales may conclude sooner at some stores. All merchandise sold during the liquidation sales will be sold "as is," and all sales will be final.

All Syms and Filene's Basement gift cards, gift certificates, store merchandise credits and rewards programs will be honored during the sales.

Consumers may also return products purchased prior to the start of the liquidation sales with original receipts. The terms and conditions of the merchandise return policies in effect at the time of purchase will apply.

"My office will continue to work to protect the interests of Connecticut consumers who encounter difficulties or have unresolved complaints with these companies as this case proceeds through bankruptcy," Attorney General Jepsen said.

Consumer Protection Commissioner William M. Rubenstein said, "We're pleased that the Court's order allows shoppers to apply their existing Filenes or Syms gift cards, certificates, credits and rewards programs, and that the terms of this liquidation sale are clearly defined so that shoppers understand what to expect."

The liquidators have received court approval to sell a limited amount of additional inventory, which must be the same kind and quality as Syms and Filene's Basement goods and marked with distinct labels. Signs will be posted in the stores to explain these issues to consumers.

Assistant Attorneys General Brendan Flynn and Sandra Arenas Charles are handling this matter for the Attorney General.

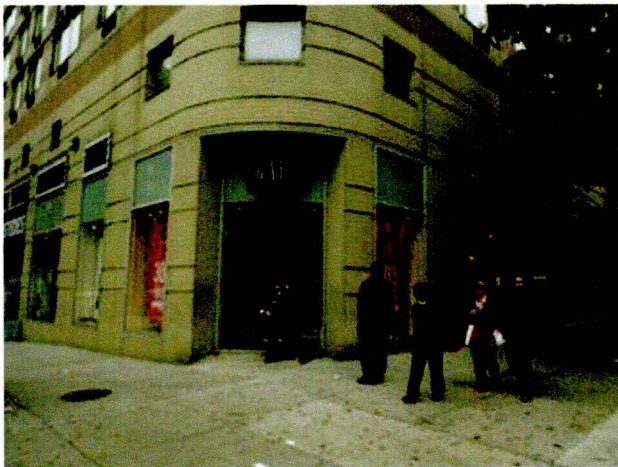
<http://ctwatchdog.com/govt/syms-filenes-basement-store-gift-cards-accepted-as-part-of-bankruptcy>





## Gap to Close West 86th Street Store

November 21, 2011 6:57pm | By Leslie Albrecht, DNAinfo Reporter/Producer



***The Gap at West 86th Street and Broadway won't be renewing its lease, which ends in February 2012. (DNAinfo/Leslie Albrecht)***

UPPER WEST SIDE — The Upper West Side's supply of moderately-priced khakis is about to shrink.

Gap is closing its store on West 86th Street and Broadway, a spokesman for the real estate firm Robert K. Futterman & Associates said in a statement.

Gap won't be renewing its lease in the basement of the luxury apartment building [The Boulevard](#) when it ends in February 2012, and Robert K. Futterman & Associates is looking for a new tenant to take over the 12,300 square-foot spot, the spokesman said.

"A retail space like this rarely becomes available on the 86th Street corridor," Robert K. Futterman & Associates Vice President Joshua Strauss, which advertised the imminent vacancy for the current Gap space, said in a statement:

"Its location next to a major transportation hub and among co-tenants including Banana Republic, Club Monaco, PC Richard & Son, Aldo, Gristedes, Victoria's Secret, Coach, and Godiva, makes the 2373 Broadway retail space an ideal flagship opportunity for a brand looking to expand its New York City footprint," Strauss added.

Gap's only remaining outlet on the Upper West Side is at 1988 Broadway, near West 68th Street, according to the company website. Gap Inc., a retail group that includes Banana Republic and Old Navy, announced in October that it's [closing 189 of its stores](#) nationwide while tripling the number of stores it has in China.

A representative for the Gap was not immediately available for comment on Monday.

In New York, the number of Gap stores has fallen slightly in the past year, according to a [newly released study of chain stores](#) by the Center for an Urban Future. In 2010 there were 37 Gap stores citywide; now there are 33.

Though Upper West Siders sometimes complain that their neighborhood is [becoming overrun with chain stores](#), several national retailers have left the area recently.

The Borders bookstore in the Time Warner Center at Columbus Circle [went out of business](#), and Syms and Filene's Basement, which have locations on Broadway and West 79th Street, [recently declared bankruptcy](#) and will close early next year.

<http://www.dnainfo.com/2011/12/1/upper-west-side/gap-close-west-86th-street-store>



## Auriga Analysts Reiterate a “Buy” Rating on DSW (DSW)

Posted by [LUSA Staff](#) on Nov 21st, 2011 // [No Comments](#)

**DSW (NYSE: DSW)**'s stock had its “buy” rating reaffirmed by equities research analysts at Auriga in a research note issued to investors on Monday. The analysts currently have a \$55.00 price target on the stock.

Separately, analysts at Citigroup (NYSE: C) downgraded shares of DSW from a “buy” rating to a “neutral” rating in a research note to investors on Monday, November 14th. They now have a \$52.00 price target on the stock. Analysts at [Zacks Investment Research](#) upgraded shares of DSW from a “neutral” rating to an “outperform” rating in a research note to investors on Tuesday, October 18th. Also, analysts at [Zacks Investment Research](#) reiterated a “neutral” rating on shares of DSW in a research note to investors on Thursday, September 15th.

DSW Inc. (DSW) is a branded footwear specialty retailer. As of January 30, 2010, the Company operated 305 shoe stores in 39 states in the United States. The Company offers an assortment of dress, casual and athletic footwear for women and men, as well as accessories through DSW stores and dsw.com. In addition, it operated 356 leased departments for four other retailers as of January 30, 2010. Its DSW stores average approximately 22,000 square feet and carry approximately 24,000 pairs of shoes. The Company also operates leased departments for four retailers. DSW has renewable supply agreements to merchandise the shoe departments in Stein Mart, Inc., Gordman's, Inc., **Filene's Basement** and Frugal Fannie's Fashion Warehouse stores. DSW owns the merchandise and the fixtures (except for Filene's Basement, where it only owns the merchandise), record sales of merchandise net of returns and sales tax and provide management oversight.

Shares of DSW opened at 44.80 on Monday. DSW has a 52 week low of \$28.68 and a 52 week high of \$55.90. The stock's 50-day moving average is \$44.92 and its 200-day moving average is \$46.52. The company has a market cap of \$1.761 billion and a price-to-earnings ratio of 11.53.

<http://localizedusa.com/2011/11/21/auriga-analysts-reiterate-a-buy-rating-on-dsw-dsw/>

## Citigroup (C) Analysts Reiterate a “Neutral” Rating on DSW (DSW)

Posted by [LUSA Staff](#) on Nov 22nd, 2011

**DSW (NYSE: DSW)**'s stock had its “neutral” rating reaffirmed by equities research analysts at Citigroup (NYSE: C) in a research note issued to investors on Tuesday.

Separately, analysts at Auriga reiterated a “buy” rating on shares of DSW in a research note to investors on Monday. They now have a \$55.00 price target on the stock. Analysts at [Zacks Investment Research](#) upgraded shares of DSW from a “neutral” rating to an “outperform” rating in a research note to investors on Tuesday, October 18th.

DSW Inc. (DSW) is a branded footwear specialty retailer. As of January 30, 2010, the Company operated 305 shoe stores in 39 states in the United States. The Company offers an assortment of dress, casual and athletic footwear for women and men, as well as accessories through DSW stores and dsw.com. In addition, it operated 356 leased departments for four other retailers as of January 30, 2010. Its DSW stores average approximately 22,000 square feet and carry approximately 24,000 pairs of shoes. The Company also operates leased departments for four retailers. DSW has renewable supply agreements to merchandise the shoe departments in Stein Mart, Inc., Gordman's, Inc., Filene's Basement and Frugal Fannie's Fashion Warehouse stores. DSW owns the merchandise and the fixtures (except for Filene's Basement, where it only owns the merchandise), record sales of merchandise net of returns and sales tax and provide management oversight.

DSW last announced its quarterly results on Tuesday, November 22nd. The company reported \$0.88 earnings per share (EPS) for the previous quarter, beating the Thomson Reuters consensus estimate of \$0.80 EPS by \$0.08. The company's quarterly revenue was up 8.5% on a year-over-year basis. On average, analysts predict that DSW will post \$0.46 EPS next quarter.

Shares of DSW traded up 0.82% during mid-day trading on Tuesday, hitting \$45.22. DSW has a 52 week low of \$28.68 and a 52 week high of \$55.90. The stock's 50-day moving average is \$50.06 and its 200-day moving average is \$48.40. The company has a market cap of \$1.778 billion and a price-to-earnings ratio of 11.54.

<http://localizedusa.com/2011/11/22/citigroup-c-analysts-reiterate-a-neutral-rating-on-dsw-dsw/>





press release

Nov. 23, 2011, 4:08 p.m. EST

### **Court Enters Order Restricting Trading in Stock or Options of Syms Corp**

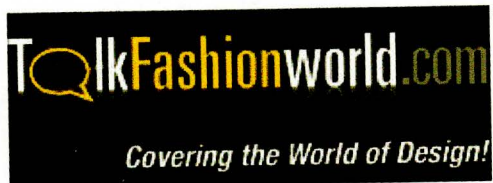
SECAUCUS, NJ, Nov 23, 2011 (MARKETWIRE via COMTEX) -- The United States Bankruptcy Court for the District of Delaware has entered an Order that imposes substantial restrictions on trading in equity interests (and the holding, creation or issuance of options in respect of equity interests) in Syms Corp. A copy of the Order may be found at the following internet address: <http://kccllc.net/filenes> ; questions regarding the Order may be directed to representatives of the debtors at the following telephone number: (877) 606-7510.

The case number for the bankruptcy action is: 11-13511

Contact:  
Representatives of the Debtors  
(877) 606-7510

SOURCE: Syms Corp  
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[http://www.marketwatch.com/story/court-enters-order-restricting-trading-in-stock-or-options-of-syms-corp-2011-11-23?reflink=MW\\_news\\_stmp](http://www.marketwatch.com/story/court-enters-order-restricting-trading-in-stock-or-options-of-syms-corp-2011-11-23?reflink=MW_news_stmp)



## House of Brides Launches Biggest Sale of the Year

Tuesday, November 22, 2011; Posted: 11:11 AM - by [BWW News Desk](#)

The House of Brides sale is well known among Chicagoland customers and attracts brides and their wedding parties from surrounding states including Wisconsin, Michigan, Iowa, Indiana and Missouri.

In addition, the bridal retailer anticipates customers who would have shopped the **Filene's Basement** "Running of the Brides" event, due to the company's recent bankruptcy announcement. House of Brides has since become the only large bridal retailer in the region to host a wide-scale, annual sale.

The sales event will be at all 10 locations. The sale is storewide with unprecedented savings on wedding dresses and bridesmaid dresses.

Savings include Designer Silk bridal gowns 50% off their best prices. Designer wedding dresses are on sale up to \$300 off. Bridesmaid dresses have additional savings off already low prices. Special occasion gowns are 20% - 30% off. Quinceanera gowns are 10% - 20% off.

The sale also features a Free Headpiece and Shoes promotion with the purchase of a bridal gown during the sale. The promotion is valued up to \$150.00. Some restrictions apply. Customers are directed to contact the salons for details.

The bridal stores have thousands of wedding dresses in stock for special order and immediate purchase. The gowns include Couture, designer and one-of-a-kind styles. Gowns are in an array of designs, sizes and colors to coordinate any type of wedding, from formal to Destination. The salons carry over 700 different bridesmaid dresses from leading designers. The bridesmaid collections offer the latest designs and colors orderable in adult, junior, plus and maternity sizes. "We are expecting Brides from all over the Midwest region to find their dream dress at our biggest sales event of the year!" states Eva Buziecki, President.

House of Brides is expecting the largest crowds ever for a sales event. The Biggest Sale of the Year is Friday November 25th, Saturday November 26th and Sunday November 27th, at all House of Brides locations. Special event hours are Friday 10:00am – 9:00pm, Saturday 10:00am – 6:00pm and Sunday 12:00pm – 6:00pm. Appointments are going quickly. Visit <http://www.houseofbrides.com> for directions and salon hours.

The Biggest Sale of the Year ad is viewable on [houseofbrides.com](http://houseofbrides.com) on the Store Promos page.

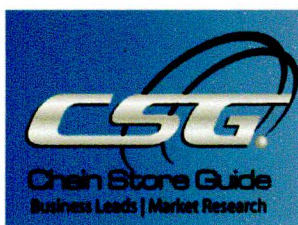
About House of Brides:

House of Brides established its first brick-and-mortar store in 1929 and has since grown to 10 Chicagoland stores and global E-Commerce website, <http://www.houseofbrides.com>. Millions of



Brides and their wedding parties visit our salons and global website for over 30,000 wedding and special event products.

<http://fashion.broadwayworld.com/article/House-of-Brides-Launches-Biggest-Sale-of-the-Year-20111122#>



**Editorial Insights  
Industry Alerts  
Company Snapshots  
Top Lists  
Market Reports**

TUESDAY, NOVEMBER 22, 2011

## **Filene's Basement Files Again?**

Syms Corp. and wholly-owned subsidiary Filene's Basement LLC recently filed for Chapter 11 bankruptcy protection. Syms Corp. subsequently announced it will liquidate all stores and assets over the coming several months.

Syms Corp. was founded in 1959, and Filene's Basement dates back to 1908. Syms Corp. acquired the assets of Filene's Basement Inc. in a 2009 bankruptcy auction. The company's CEO said the company faced increasing competition from large department stores, a proliferation of private-label discount chains, and a decline in buying opportunities, all combined with the economic downturn. These factors affected both chains and came at a time when Filene's Basement, which was just emerging from bankruptcy, was already waging an uphill battle to rebuild its customer base.

This is the third time Filene's Basement has filed for bankruptcy protection; the first time was in the 1990's. Now, only two years after the discount retailer emerged from its second trip through Chapter 11 with the acquisition by Syms Corp, the company can't make it work, because the brand-conscious consumer continues to have more places in which to shop. Luxury retailers such as Nordstrom has focused more on its discount concept Nordstrom Rack to retain customers due to tighter budgets, and kept them as brand loyal shoppers. Also, over the past few years, department stores have held on to their merchandise, selling goods at deeper discounts directly to the consumer and limiting opportunities for these Filene's Basement types of outlet stores.

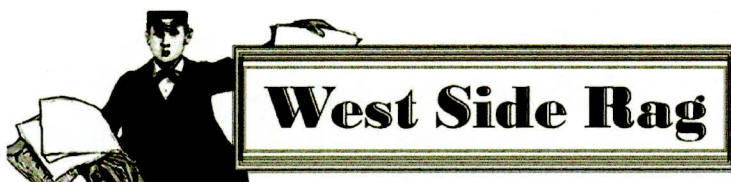
Syms Corp. was an off-price retailer, buying excess merchandise directly from manufacturers at a discount. Most off-price retailers did well during the recession as consumers traded down and spent less money, but sales in the segment have been weaker in the recovery as some shoppers begin returning to luxury goods.

The liquidation of all 25 Syms and 21 Filene's stores is expected to run through approximately January 2012. Earlier this month, the U.S. Bankruptcy Court approved Syms' motion to enter into an agreement with a joint venture of Gordon Brothers Retail Partners and Hilco Merchant Resources, authorizing them to sell merchandise and owned furniture, fixtures and equipment through store closing sales and further authorizing Syms to abandon unsold merchandise and furniture, fixtures and equipment after conclusion of the sale. The closings will result in the loss of about 2,500 jobs.

What are the real estate implications? As in the case of Borders, Hollywood Videos, Linens 'n Things, and other companies that have disappeared from the retail scene, mall developers are going to have more spaces to fill. However, unlike many of these other now out-of-business locations, the Syms and Filene's stores are "big box" and therefore less attractive to many of the growth concepts. At the end of its most recent fiscal year, Syms Corp. had 49 stores operating more than 2.3 million square feet of retail space; many of the stores are 50,000 square feet or larger. Additionally, 23 of the stores had leases that don't expire until 2015 or later, leaving landlords on the hook to quickly try to find tenants to cover the rent. In malls where Syms or Filene's was considered an anchor, other tenants may start an exodus or try to renegotiate their leases to make up for the lost traffic.

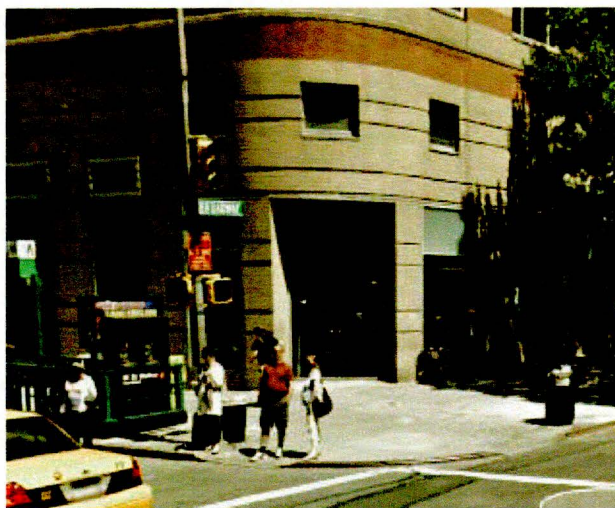
<http://chainstoreguide.blogspot.com/2011/11/filenes-basement-files-again.html>





## UWS CHAIN STORES DISAPPEARING FAST: MASSIVE GAP ON 86TH TO CLOSE

Posted on November 22, 2011 at 1:10 pm by Avi



The Gap store on the corner of 86th Street and Broadway won't be renewing its lease, according to the realtors now advertising the 12,300-square-foot space for rent. That means it could close anytime between now and February, when the lease runs out.

Gap has one other location in the neighborhood, on 68th Street and Broadway. The company is closing some of its New York locations to save money.

Robert K. Futterman & Associates, the real estate firm trying to rent the spot, is already looking to fill it with another major retailer, saying that the store's prime location "makes the 2373 Broadway retail space an ideal flagship opportunity for a brand looking to expand its New York City footprint," according to [DNAinfo](#).

"A retail space like this rarely becomes available on the 86th Street corridor," Strauss said.

This is just the latest example of a major Upper West Side retail chain succumbing to economic pressures: Filene's Basement on 79th Street [is liquidating](#), Borders in the Time Warner Center [closed in September](#), and a couple of years earlier Barnes and Noble on 66th Street closed down.

All of those stores were in significant retail locations — on big heavily-trafficked corners, or in Borders' case, a prime location in the Time Warner Center. And those stores were also the kinds of stores that Upper West Siders used to lament — large bland chains without any particular

connection to the neighborhood. That said, Upper West Siders I've talked to certainly miss the 66th Street Barnes & Noble. There hasn't been quite the same outpouring for Filene's and Borders.

Will we miss the Gap?

<http://www.westsiderag.com/2011/11/22/uws-chain-stores-disappearing-fast-massive-gap-on-86th-to-close>



# ChevyChasePatch

## Filene's Basement at Mazza Gallery Jumps the Gun on Black Friday

A huge going-out-of-business sale is already underway at Filene's Basement, in advance of the store's closing in early January.

By [Marty Chase](#)

November 22, 2011, 7:00am

Bargain shoppers can get a head start on Black Friday shopping by visiting Filene's Basement at the [Mazza Gallerie](#) in Friendship Heights all week—and for several more weeks to come.

The popular Friendship Heights store—as well as nearly 40 other Filene's Basement chain and Syms stores nationwide—has already started a massive going-of-business sale following the company's [filing for protection under the nation's bankruptcy laws last month](#).

Designer apparel worth about \$100 million—including sportswear, outerwear and children's clothing—will be sold at steep discounts of up to 30 percent, the company disclosed several days ago.

Eventually everything will go, including furniture and fixtures in the store, which is scheduled to close in early January.

Right now, discounts range from 10 percent to 30 percent, but these are likely to become much steeper in the days ahead.

Men's suits are already 30 percent off of the lowest ticketed price, while most accessories are 20 percent off.

Better selling items—such as Tommy Hilfiger apparel and women's handbags—only carry a 10-percent discount at present.

Unlike some of its competitors (like [Gap](#) and [Banana Republic](#)) further up Wisconsin Avenue on the Maryland side of Friendship Heights, Filene's Basement will be closed on Thanksgiving Day. It will open on Black Friday at 7 a.m.

On Monday night, Filene's Basement closed at 5 p.m. to take an inventory of the stock and to assess whether or not prices would need to be slashed even more.

When Patch visited the store on Monday afternoon, a sales person said that the staff had not yet been told when the store would close, but thought it might be in the first week of January.

<http://chevychase.patch.com/articles/filene-s-basement-at-mazza-gallery-jumps-the-gun-on-black-friday>



press release

Nov. 22, 2011, 7:00 a.m. EST

## **DSW Inc. Reports Third Quarter 2011 Results**

**-- Net sales increase 8.5% to \$530.7 million; comparable sales increase 5.2% -- Gross profit margin rises 150 basis points to 34.0% of net sales -- Including a \$0.13 per share impact due to the merger with Retail Ventures, Inc. ("RVI") and related items, Reported diluted EPS totals \$0.75 per share -- Adjusted diluted EPS rises to \$0.88 per share, up from \$0.79 in the third quarter of 2010 -- Company raises 2011 annual diluted earnings per share guidance to a range of \$2.90 to \$2.95 excluding any impact from the RVI merger and related items -- Board of Directors approves quarterly cash dividend of \$0.15 per share**

COLUMBUS, Ohio, Nov. 22, 2011 /PRNewswire via COMTEX/ -- DSW Inc. [/quotes/zigman/372549/quotes/nls/dsw](#) DSW +0.05%, a leading branded footwear and accessories retailer, announced financial results for the three month and nine month periods ended October 29, 2011, which compares to the three month and nine month periods ended October 30, 2010.

"Our strong performance continued into the fall season, further demonstrating our increasing relevance as a destination for great brands, fashion and value in the footwear industry," stated Mike MacDonald, President and Chief Executive Officer, DSW Inc. "During the quarter, we generated an 8.5% increase in total sales and a 5.2% increase in comparable sales, for a two-year comparable sales gain of 15% and a three year comparable sales increase of 24%. DSW remained a top choice for women's footwear, led by a strong performance in boots. We continued to capitalize on sales opportunities in men's and accessories - both of which remained our fastest growth categories. Our new store performance exceeded our expectations and e-commerce sales remained robust. We were also pleased with our leased business division, which recorded solid sales growth. Our balance sheet remained strong at quarter end even as we invested in our long-term growth and returned value to our shareholders in the form of both a regular quarterly cash and special cash dividend. We are confident in our strategies and continue to expect fiscal 2011 to represent a strong year of growth, and as a result we have increased our annual guidance."

### **Third Quarter Operating Results**

Net sales increased 8.5% to \$530.7 million from \$489.3 million for the third quarter of 2010.



Comparable sales for the third quarter increased 5.2%. This follows a 10.1% increase in comparable sales for the third quarter of 2010.

Reported net income was \$53.7 million, or \$0.75 per diluted share on 44.7 million weighted average shares outstanding, which included a \$13.9 million impact due to the merger with RVI and related items. This compares to Reported net loss of \$3.3 million, or \$0.16 per diluted share on 21.3 million weighted average shares outstanding, for the third quarter of 2010.

Net income, adjusted for the impact of the merger with RVI and related items, was \$39.8 million, or \$0.88 per diluted share on 45.3 million weighted average shares outstanding. This compares to Adjusted net income of \$35.5 million, or \$0.79 per diluted share on 44.9 million weighted average shares outstanding, for the third quarter of 2010.

At the conclusion of this press release is a reconciliation of Reported to Adjusted results.

Following the announcement on November 2, 2011 that SYMS Corp. filed for bankruptcy protection, DSW reserved \$1.7 million in markdowns at cost related to inventory in Filene's Basement and SYMS stores. This equates to a \$0.02 per share impact to both Reported and Adjusted EPS in the third quarter.

#### Nine-Month Operating Results

Net sales increased 11.6% to \$1.51 billion from \$1.35 billion for the first nine months of 2010.

Comparable sales for the first nine months increased 9.2%. This follows a 12.6% increase in comparable sales for the first nine months of 2010.

Reported net income was \$155.4 million, or \$4.30 per diluted share on 34.8 million weighted average shares outstanding, which included a \$42.3 million impact due to the merger with RVI and related items. This compares to Reported net income of \$17.6 million, or \$0.82 per diluted share on 21.5 million weighted average shares outstanding, for the first nine months of 2010.

Net income, adjusted for the impact of the merger with RVI and related items, was \$113.1 million, or \$2.50 per diluted share on 45.3 million weighted average shares outstanding. This compares to Adjusted net income of \$89.2 million, or \$1.99 per diluted share on 44.8 million weighted average shares outstanding, for the first nine months of 2010.

At the conclusion of this press release is a reconciliation of Reported to Adjusted results.

#### Third Quarter Balance Sheet Highlights

Cash and investments totaled \$369 million.

Inventories were \$378 million compared to \$332 million at the end of the third quarter of 2010. Inventory cost per square foot in DSW stores increased 5% compared to the third quarter of 2010.

## Special and Regular Dividend

On August 10, 2011, the Company announced that its Board of Directors declared a special cash dividend of \$2.00 per share, totaling approximately \$86 million. In conjunction with this approval, the Board of Directors also initiated a regular quarterly cash dividend of \$0.15 per share. Both the special dividend and the regular dividend were paid on September 30, 2011 to shareholders of record at the close of business on September 20, 2011.

On November 17, 2011, DSW's Board of Directors approved the Company's second quarterly cash dividend payment of \$0.15 per share. The dividend will be paid on December 30, 2011 to shareholders of record at the close of business on December 19, 2011.

## Settlement of the Premium Income Exchangeable Securities

Separately, on August 10, 2011, the Company announced plans to settle the Premium Income Exchangeable Securities ("PIES") assumed pursuant to the merger with RVI in exchange for approximately 3.8 million shares of DSW Class A common stock on the maturity date of September 15, 2011. Following the delivery of the shares to the holders of the PIES, DSW's public float increased by the 3.8 million shares. However, these shares did not increase the Company's diluted shares reported in previous quarters because they have always been included in the diluted share count since the PIES were issued in 2006.

## Fiscal 2011 Annual Outlook

The Company is raising its annual guidance. DSW now estimates annual comparable sales to increase between 7% and 8% and now expects annual diluted earnings per share in the range of \$2.90 to \$2.95 for fiscal 2011, excluding any impact from the merger with RVI and related items.

## Webcast and Conference Call

To hear the Company's live earnings conference call, log on to <http://www.dswinc.com/> today at 8:30 AM Eastern, or call (800) 967-7137. To hear a replay of the earnings call, which will be available approximately two hours after the conference call ends, dial (877) 870-5176, followed by passcode 4551928. An audio replay of the conference call, as well as additional financial information, will also be available at <http://www.dswinc.com/>.

## About DSW Inc.

DSW Inc. is a leading branded footwear and accessories retailer that offers a wide selection of brand name and designer dress, casual and athletic footwear and accessories for women, men and kids. As of November 22, 2011, DSW operated 328 stores in 40 states and operated an e-commerce site, <http://www.dsw.com>, and a mobile website, <http://m.dsw.com>. DSW also supplied footwear to 364 leased locations in the United States. For store locations and additional information about DSW, visit <http://www.dswinc.com>. Follow DSW on Twitter at



<http://twitter.com/DSWShoeLovers> and "like" DSW on Facebook at  
<http://www.facebook.com/DSW> .

<http://www.marketwatch.com/story/dsw-inc-reports-third-quarter-2011-results-2011-11-22>

# Mass. Market

*An inside look at the Massachusetts business scene*

## The Filene's Basement going-out-of-business sales don't just feature Filene's Basement merchandise

2011 November 23

by Jon Chesto

The words “liquidation” and “going-out-of-business” are so familiar to regular shoppers, they practically trigger a Pavlovian response.

That's not exactly the case with “augmentation.” The subtle practice of bringing in outside goods and selling them as part of a going-out-of-business sale received new scrutiny in Delaware bankruptcy court. That's where the liquidators of the [Filene's Basement chain](#) were defending their plans to augment the stores' inventory with items from an unspecified outside source.

Edgar Dworsky, founder of [ConsumerWorld.org](#), tells me the practice is bad for consumers and unfair for competitors ([he addresses the issue in his blog](#)). Shoppers, Dworsky says, expect that a going-out-of-business sale will feature distressed inventory from the actual store – and not items from an outside source. Liquidators can use this practice, Dworsky says, to unload unwanted inventory at a price that might be higher than what a consumer would otherwise pay for the goods.

In Massachusetts, going-out-of-business sales are tightly regulated: A retailer can't just hold one to get rid of excess inventory and then “reopen” – unless, of course, a bankruptcy judge gives that retailer permission.

Attorneys general in New York and Maryland objected to the Filene's Basement augmentation plans in bankruptcy court, citing a general concern that going-out-of-business sales are increasingly becoming a way for liquidators to rent the storefronts of distressed companies to sell their own goods.

In the end, the objections didn't last long. A judge last week approved a new order allowing for augmentation, but with some limits. The Filene's Basement ads, for example, would have to disclose that some of the items on sale could be from another source – and the items would have to be marked differently in the store.



Amie Breton, a spokeswoman for state Attorney General Martha Coakley's office, tells me her agency participated in the review of Filene's Basement going-out-of-business sales and was prepared to file objections, if necessary. Breton says the changes to the sale process also require signs in stores to guide consumers, and they limit augmented merchandise to 23 percent of the total amount of merchandise for sale. She says the staff believes that the changes address consumer concerns.

I couldn't reach someone at Syms Corp., the now-bankrupt parent company of Filene's Basement. And a spokesman for the liquidator overseeing the sales – Boston-based Gordon Brothers – would only tell me that the sales have exceeded expectations and that they'll continue until all inventories are sold.

Dworsky, meanwhile, tells me he's skeptical that all shoppers will realize that they might not be buying Filene's Basement goods during these sales.

"No one is going to catch that little line in the ad," Dworsky says. "If you went to one of the stores, I think the average consumer would be under the understanding that everything that's in those four walls is Filene's merchandise."

<http://blogs.wickedlocal.com/massmarkets/2011/11/23/the-filenes-basement-going-out-of-business-sales-dont-just-feature-filenes-basement-merchandise/#axzz1f0cOl5yL>

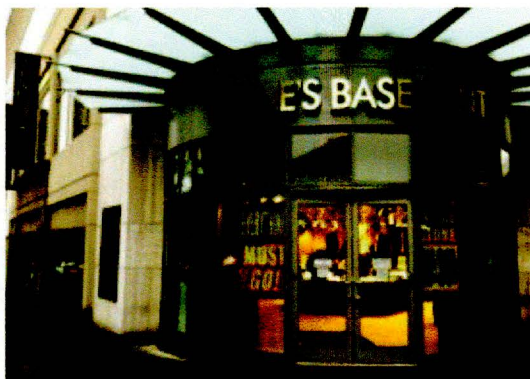
# ChevyChasePatch

## Maryland Unemployment Numbers Show Slight Improvement

The unemployment figure for Montgomery County remains one of the best in the state.

By [Bruce Vail](#)

November 23, 2011



Filene's Basement at the Mazza Gallerie in Friendship Heights, on the Maryland-Washington, DC border, is set to close in early 2012. Credit Laura L. Thornton

Photos (2)

Maryland's unemployment rate showed improvement in October, falling from 7.4 percent to 7.2 percent, the state's top labor official announced this week.

Alexander Sanchez, secretary of the Department of Labor, Licensing and Regulation, said the state added a total of 3,100 jobs during the month, leaving about 217,000 state residents still unemployed.

"There is a lot of good news in this report. But, we are still in a recovery from the worst national recession since the Great Depression," Sanchez said.

Separately, the U.S. Bureau of Labor Statistics indicated that unemployment levels remain steady in Montgomery County at the relatively low rate of 5.5 percent. The county jobless rate is unchanged over the last year, and remains among the best in the state, according to Bureau figures.

"This is good news," said Steven A. Silverman, director of the Department of Economic Development for Montgomery County.



"In Montgomery County, a normal unemployment rate is under 3 percent, so we are looking to get back to that. ... I think we are moving in the right direction," Silverman added.

"Montgomery County continues to be one of the engines of the state economy. ... An unemployment rate of 5.5 percent would be considered good anywhere in the world, especially during this recession," commented Neil L. Bergsman, director of the [Maryland Budget & Tax Policy Institute](#).

"But the statewide story on unemployment remains one of stagnation. The latest improvement in the numbers [is] nice, but the numbers are small and there really isn't much sign that we are moving strongly in the right direction," he said.

Bergsman estimated that Maryland's unemployment rate is really closer to 12 percent, because the official figures do not include "discouraged" workers who are no longer actively seeking new jobs, and "underemployed" workers who have accepted part-time employment while looking for better jobs.

Sanchez added that Maryland Gov. Martin O'Malley intends to introduce a new jobs bill to the state legislature as early as Jan. 15, 2012.

The [bill](#) will likely include measures for highway and infrastructure spending, tax incentives for new hiring, and some regulatory changes designed to spur employment growth, officials said.

"This will be at the top of the agenda in January," when the Maryland legislature convenes for a new session, Sanchez said.

In related news, Sanchez' agency announced Tuesday that retailer Filene's Basement-Syms Clothing would [eliminate 37 jobs at its Rockville location, and another 31 jobs at its location in Baltimore](#). The store's Friendship Heights location (on the Maryland-Washington, DC, border) is [closing in early 2012](#).

The company filed a Chapter 11 bankruptcy petition on Nov. 2, announcing it would close all of its stores in eight states and the District of Columbia. A total of some 2,500 jobs are to be eliminated.

In other corporate layoff news, labor department spokesman Mike Raia told Patch that the agency is still waiting for some communication from [Bank of America](#) about that company's plans for its Maryland employees.

In mid-September, Bank of America confirmed reports that it would [eliminate the jobs of some 30,000 employees over two years](#), but refused to provide any details on how the cuts would affect Maryland workers.

With some 4,000 employees in Maryland, some cuts are expected locally, including at the bank's Mid-Atlantic regional headquarters in Rockville.

<http://chevy Chase.patch.com/articles/maryland-unemployment-numbers-show-slight-improvement>

## The last shop

November 24, 2011 | By Jamie Reysen, Globe Staff

By Jamie Reysen

This will be the final Black Friday for Filene's Basement, a store whose bargain prices and sometimes frenzied, dress-in-the-aisles culture have given it a prominent place in Boston lore and fashion over the last century.

On Nov. 16, two weeks after Filene's Basement and parent company Syms Corp. filed for Chapter 11 bankruptcy, the firm's stores launched going-out-of-business sales. This time, no rescue is on the horizon. At the start of 2012, Filene's Basement is expected to close its remaining 21 stores, including its Back Bay Boylston Street location.

The closing is sad news for many longtime Boston shoppers, especially those who remember the Basement's heyday on Washington Street in Downtown Crossing.

Mary Tilney, 69, of Beacon Hill, says she has been shopping at Filene's Basement since 1967. She recalls the way women would try on clothes wherever they were standing before the flagship had dressing rooms. Tilney says shoppers could find terrific deals as they ransacked the bins and racks.

"Even though it was a bit of a mess, it was fun to sort of go through the bins of clothes, especially if they had designer things, and you really could find wonderful bargains," Tilney says.

Filene's "Automatic Bargain Basement," as it was first called, is America's oldest off-price retailer. Edward A. Filene, son of Filene's founder William Filene, began to sell excess merchandise in the basement of his father's Downtown Crossing department store on Jan. 4, 1909. The first advertisements for the Basement called it "Tunnel Bargain Basement" because it connected to Boston's new subway line. The press and competitors mocked the new store, calling it "Filene's Folly." Ten years would pass before it turned a profit.

Later, however, Filene's Basement would become iconic, with Boston native Barbara Walters calling it "the world's best basement" during a 1986 segment on ABC's 20/20. In 1990, the original Downtown Crossing location was reported to



be the second-most-visited tourist attraction in Boston, with 15,000 to 20,000 shoppers each day. And in 2010, it was the subject of a documentary titled "Voices from the Basement," in which dignitaries from Mayor Tom Menino to former Gov. Michael Dukakis were among those who sung its praises.

The old store, which closed in 2007, had its quirks. It didn't install a woman's dressing room until 1991. But that didn't deter patrons from stripping down as they tried designer clothes marked down 30 to 60 percent from their original prices.

Then there was the Basement's twice-annual Running of the Brides, which drew crowds from throughout New England. This March, more than a thousand brides-to-be tore through nearly 3,000 wedding gowns at the Hynes Convention Center, wriggling in and out of the discounted designer dresses, which they tried on over swimsuits and undergarments.

There was a method to this madness. In 1956, Edward A. Filene was inducted into "The Merchants Hall of Fame" in Chicago for his innovative "Automatic Mark Down System." He was the first person to mark the price tag on each item with the date it hit the selling floor, reducing the price further the longer it stayed on the racks. Unsold items were eventually donated to charity.

Filene's Basement has given back in other ways. Early in the Great Depression, the Downtown Crossing store's receipts covered the payroll one year of its more upscale relative, the Filene's department store. Later, during World War II, the Basement gave employees incentive to aid war efforts by offering days off for selling a certain number of war bonds.

In the end, the Basement, which was born out of the excess merchandise of Filene's, outlived the chain itself. Filene's and the Basement split in 1991. Then, in 2006, Filene's rival Macy's bought the department store chain, replacing most of the stores' mastheads with "Macy's" — except for one. The original Washington Street Filene's sat across from Macy's in Downtown Crossing. Macy's closed it in 2007, and then sold the building for redevelopment. When Vornado Realty Trust bought the Downtown Crossing building for a project that has since been halted indefinitely, the flagship Filene's Basement was forced to close.

Perhaps the closing of Edward A. Filene's original location marked the beginning of the end. While the flagship store once served as a tourist attraction, some say other locations in Boston and elsewhere didn't hold the same cachet and couldn't attract the same crowd. Retail analysts have said the brand struggled to compete with other off-price department stores and discount online retailers. Although Filene's Basement was able to recover from its first bankruptcy filing in 1998, it filed again for Chapter 11 bankruptcy in 2009, at which point Syms Corp. bought the chain in an auction.

Now, after declaring bankruptcy for the third time in just over a decade, the remaining Filene's Basement locations will close for good.

This season, the marked-down holiday prices will reflect the final liquidation of corporate assets. For loyal shoppers, it will be something else: The Basement's final sale -- the last big shop.

Benjamin Austin contributed to this report.

[http://articles.boston.com/2011-11-24/yourtown/30438328\\_1\\_wedding-gowns-designer-dresses-dressing-rooms/2](http://articles.boston.com/2011-11-24/yourtown/30438328_1_wedding-gowns-designer-dresses-dressing-rooms/2)



# ChevyChasePatch

## 5 Things to Know Today: Nov. 25

The Black Friday edition.

By [Laura L Thornton](#)

November 25, 2011



Good morning, Chevy Chase! It's Friday, Nov. 25, and here are five things to know today:

- 1.) Nice weather is in-store, with sunny skies and high temperatures in the mid-60 degrees.
- 2.) Today is Black Friday, and Patch is running a [live blog for Black Friday](#) in Montgomery County. Help us with our coverage by using the Twitter hashtag **#MoCoBlackFriday**, or by contributing directly to the site. You can post pictures, videos, comments and stories about your own experiences with Black Friday. Snag a deal and want to gloat about it? This is the blog for you.
- 3.) For some good deals today, check out Filene's Basement at the Mazza Gallerie in Friendship Heights. The store is closing in early 2012, and the [going-out-of-business sale has already started](#).
- 4.) Current and alumni jazz musicians from [Bethesda-Chevy Chase High School](#) will play jazz classics at [Panera Bread](#) (4459 Willard Ave.) from 6 to 9 p.m. Panera Bread will donate part of the evening's proceeds to benefit the B-CC Music Department. [Read Patch's story about last year's music fundraiser](#).
- 5.) Today in history: Forty-eight years ago, John F. Kennedy's funeral was held. [Read about the funeral on BBC.com](#).

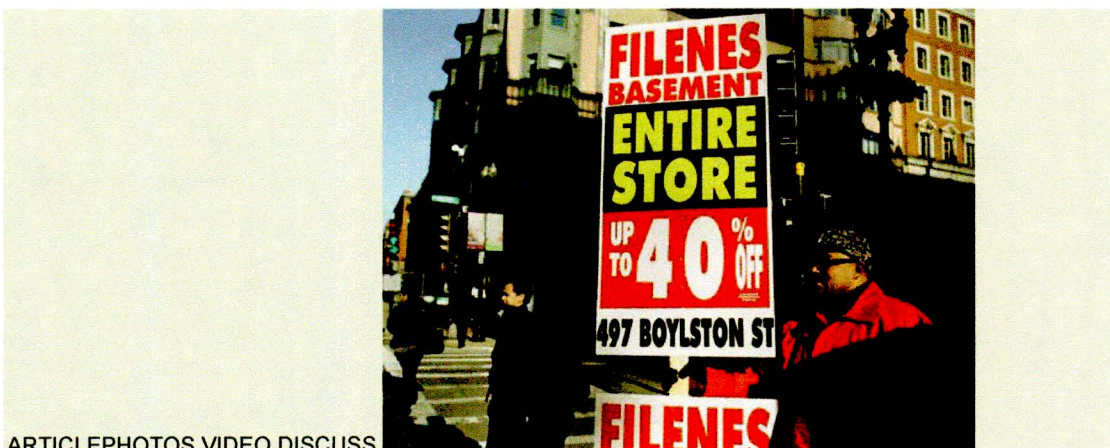
<http://chevychase.patch.com/articles/5-things-to-know-today-nov-25>

# The Boston Globe

## Customers swarm malls, stores for Black Friday

By **Michael B. Farrell**  
| GLOBE STAFF

NOVEMBER 25, 2011



ARTICLEPHOTOS VIDEO DISCUSS

JONATHAN WIGGS / GLOBE STAFF

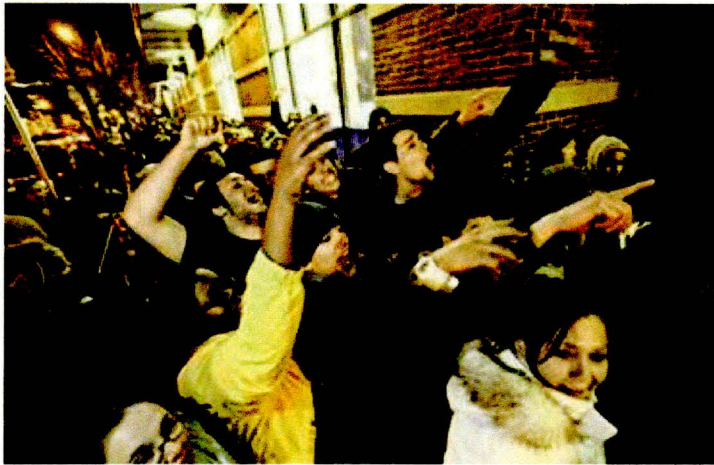
**Allen Newson let shoppers know of the last Black Friday shopping experience at Filene's Basement.**

Bruce Zheng hurried through Thanksgiving dinner with his family in Malden yesterday, eager to land a spot in line at the Best Buy at CambridgeSide Galleria by 9 p.m. -- four hours before the electronics store would open for Black Friday.

"I ran out the door. I was like, 'Mom, everything was good, but I gotta go,'" Zheng said.

He was lured in hopes of picking up a \$180 Lenovo laptop. At that price, the laptops sold out quickly. Instead, he left with a 32-inch flat-screen TV and a DVD player, saving about \$150.





Scenes from Black Friday

Retailers around the country hoped to entice customers with deep discounts and earlier- than-usual sales this Black Friday, the traditional kick off of holiday shopping. With long lines at big box stores like Best Buy in the Boston area and around the country, it appeared that the strategy might pay off.

About 1,500 shoppers -- some who waited since 10 a.m. yesterday morning, and ate their turkey dinners while standing in line -- waited outside the Best Buy last night, and some grew impatient as opening time drew near. Police were there to keep the scene calm, while some shoppers accused others of cutting in line. Finally, at 1 a.m., they streamed into the store, as soon as its doors opened, snagging flat-screen TVs, laptops, and digital cameras.

Inside, store manager Isabel Gomez told her staff, "smile a lot because we have a lot of people to take care of."

Gomez is a Black Friday veteran. She's worked the post-Thanksgiving Day sale, traditionally the biggest shopping day of the year, for eight years and said today's crowd was one of the largest she has seen.

At stores around the region, shoppers lined up by the hundreds, braving a bitingly cold night. At a Target store in Somerville, employees handed out tickets for popular TVs, maps of the items' locations in the store, and free energy bars to keep up the shopping spirit. Target let in shoppers in waves of 15, starting at 1 a.m., and warned people not to run through the aisles, or they'd be asked to leave. At the outlets in Wrentham, shoppers had flocked in droves by midnight.

At CambridgeSide Galleria, at least 10 stores originally planned to open at midnight but those times were pushed back to at least 12:30 because of concerns about violating Massachusetts blue laws, which prohibit retail employees from working on Thanksgiving. Last year, the mall didn't have any midnight openings.

A number of malls in the area were reporting brisk business. South Shore Plaza's parking lot was completely full by 1 p.m., said general manager Judy Tullius. This year, 18 of its stores were open by 1 a.m., while last year the mall opened at 5 a.m., and Tullius said there were long lines at Macy's and Target.

At Patriot Place, the four-year old Foxborough shopping center, spokesman Jeff Cournoyer said it was a record day. "It's definitely our best Black Friday ever," he said, with shoppers lining up Thursday evening, hours in advance of store openings.

Around the country, some national chains, such as Walmart and Toys "R" Us, were opening earlier than ever, launching sales on Thanksgiving night to compete for shoppers with tighter budgets. Some people waited outside the Walmart in Framingham all day, for today's 4 a.m. opening.

Retailers hoped the earlier openings would make shopping more convenient for Americans concerned about high unemployment and the other challenges they face in the weak economy. Black Friday is important to merchants because it kicks off the holiday shopping season, a time when they typically bring in 25 to 40 percent of their annual revenue.

This year, consumer spending over the holiday is expected to climb 2.8 percent over last year, according to the National Retail Federation, and generate about \$465 billion.

Late-night sales also appears to be a way to draw out shoppers who didn't want to fight the pre-dawn crowds today. It certainly worked in getting Lomalee Houston, from Cambridge, out of the house for her first Black Friday sale. She showed up at 3 p.m. with designs on a 42-inch TV from Sharp for \$199.

But, after waiting more than 10 hours on a chilly night, she said she'll "never do this again."

*Todd Wallack of the Globe staff, and Globe correspondents Christina Reinwald and Kathleen Pierce contributed to this report. Material from the Associated Press also is included in this report.*

<http://bostonglobe.com/business/2011/11/25/customers-swarm-malls-stores-for-black-friday/mk3WWeVE2OIYKoMua1RsMI/story.html>





## **Saving money is the name of the game**

Nov 25, 2011 4:43pm

(NECN: Alysha Palumbo, Braintree, MA) - Black Friday shoppers braved the stores very early, with the most serious shoppers going back for as many rounds as they did with their turkey and stuffing on Thanksgiving.

"We started at midnight and took a break around six and then we've only been out for an hour or so, so it hasn't been bad," said Amy Demas of Woburn.

"I was out here at six, went home, got her, came back, and now it's kind of crazy but now I'm tired also, so she's in Filene's Basement doing her thing," said Reginald Ellis who's shopping with his wife.

Saving money's the name of the game and stores know with the economy still sluggish, they need to draw customers in with must have items and once a year sales.

"I think the stores have realized that and that's why they're so promotional and people are taking advantage of those promotions, and they're going on all weekend out here," said South Shore Plaza General Manager Judy Tullius.

2011 seems to be the year of the savvy shoppers, who planned out their purchases for days before Black Friday.

"I did my research at home on the internet first so then I could kind of minimize the running around and it worked, I just came in and got the items that I planned to," said Tammarrah Lee of Boston.

Some shoppers' strategy was to wait until the early birds went to bed and try to swoop in on the remaining deals and discounts.

"It's been alright, I mean it's a lot easier than what I thought, I didn't come out early this morning, I did the afternoon thing, but it was very easy and this is probably our third mall today already," said Alberto Simoes of New Bedford.

Others were hopeful once they got home and looked at all the receipts that their savings were worth the stress.

"We're shopping for her so I don't know how much I'm going to save," said Ellis.

When asked, "So as long as she's happy you're happy right?"

"That's it," he said, "that's it."

[http://www.necn.com/11/25/11/Black-Friday-shopper-Mad-crazy-in-the-st/landing\\_newengland.html?blockID=600620&feedID=4206](http://www.necn.com/11/25/11/Black-Friday-shopper-Mad-crazy-in-the-st/landing_newengland.html?blockID=600620&feedID=4206)



**here&  
NOW**



Friday, November 25, 2011

## **The End Of Filene's Basement**



Women grab dresses at a "Running of the Brides" sale at Filene's Basement in New York.  
(AP)

This Black Friday will be the last for bargain hunters to shop at the discount retailer Filene's Basement.

The chain recently declared bankruptcy and will soon shutter 21 locations.

But for many people, the Basement has been gone since 2007 when its original flagship store in Boston's Downtown Crossing closed.

That store first opened in 1909, beneath Filene's Department store, as a place to sell off extra stock.

Filene's Basement became famous for the brawls it would incite over bargains, especially during the one-day "Running of the Bride" sales.

"I remember these chaotic scenes with these women participating in these scrums," one shopper recalled in the 2010 documentary "[Voices from the Basement](#)," by Michael Bavaro.

The documentary was the brainchild of Sue Edbril, a Boston psychologist whose grandmother worked at the original Filene's Basement for 40 years.

**Guest:**

- **Sue Edbril**, a Boston psychologist whose grandmother worked at Filene's Basement for 40 years

<http://hereandnow.wbur.org/2011/11/25/filenes-basement-close>



# The Boston Globe

## Shoppers reminisce at Filene's Basement

*Loyal, nostalgic, and sad, shoppers make final visits to Filene's Basement stores*

By **Johnny Diaz**  
| GLOBE STAFF

NOVEMBER 26, 2011

• [ARTICLEDISCUSS](#)



JONATHAN WIGGS/GLOBE STAFF

Allen Newson held up an advertisement at the corner of Boylston and Berkeley streets yesterday. Filene's Basement is holding liquidation sales.

NEWTON - Olga Tines drove in the predawn darkness from Nashua to Newton for final markdown at her beloved Filene's Basement store.

At 7 a.m., she was the first customer here for Black Friday. As she pushed her shopping cart and grazed the aisles for bargains, she couldn't help but mourn the coming loss of a Boston retail institution.

"It's like going to a funeral," said Tines, who has made the early morning road trip an annual tradition with her husband, Andrew Smith, who shopped in the men's store across the street.

"This store has been a gold mine with wonderful little finds. It's an end of an era and nothing can replace it," Tines said, her hand over her heart.

Faithful Filene's Basement shoppers flocked to area stores yesterday for one last Black Friday shopping hurrah at the legendary retailer, which filed for bankruptcy protection earlier this month. The store is holding liquidation sales during the holidays before closing for good in January.

From Newton to the Back Bay, shoppers recounted their favorite bargains like retail victories. The \$100 Prada sandals. The half-priced Oscar de la Renta gowns. Laura Biagiotti bags for \$69.

"It's really unfortunate that this store has to go, because people like to value-shop," said Smith.

As he held up his new finds - a Kenneth Cole belt for \$8 and a \$180 Ralph Lauren suit - he pointed to the Ralph Lauren leather jacket and pink polo shirt he wore that he had bought on prior trips to the Newton store.

"You can't beat this!" he said. "This is our ritual. She does her shopping and I do mine."

Smith said he was unsure where the couple would go for next year's Black Friday excursion.

The retailer was a shopping icon where fashionistas and everyday workers intersected in the hunt for a good bargain going back to 1909, when Edward A. Filene founded Filene's Basement in downtown Boston as a place to sell excess merchandise from his father's store upstairs.

Over the last century, Filene's Basement ushered in the concept of bargains after it developed a system of automatic markdowns, with goods discounted on a schedule that consumers could track.

In 1991, Filene's Basement split from Filene's department stores, which disappeared a year after Macy's bought the chain in 2005. Syms Corp. bought Filene's Basement in an auction in 2009.



"It's been part of people's lives for so long that people feel really attached to it," said Albert Ko, a retail analyst in Newton. "You can't replace the experience of going into the store and touching and feeling all the goods. It's always been the bargain stop for consumers in the Boston area."

So iconic was the Boston discount retailer that, for its 100th anniversary, the Boston public broadcaster WGBH aired a documentary called "Voices From The Basement," chronicling the company's history and its connection with customers.

Earlier this month, Syms filed for bankruptcy protection under Chapter 11 and said it would close its 25 shops. Filene's Basement also filed for bankruptcy protection.

Newton store customers couldn't escape reminders of the store's looming final chapter. "Going Out Of Business" and "Everything Must Go" signs bedecked the store, inside and out. Markdown signs ranging from 20 percent to 40 percent topped almost every rack and display.

Toby Koritsky of Cranston, R.I., woke up at 7 a.m. to beat the early bird Black Friday bargain hunters she encountered in previous years. But she was surprised to see so few customers - about a handful after the store had been open one hour at 8 a.m.

"No one is here. It feels like a place that is closing. It's really sad," she said, noting that the store was her only shopping stop of the day. She paid \$70 for a pair of dress pants and a Calvin Klein pocketbook.

"I really wanted to come here one more time," she said.

At the Back Bay store on Boylston Street, about a mile from the original Filene's Basement, the scene was livelier. Customers scrounged through tables, racks, and bins as they reminisced about their favorite Filene's finds.

"We always find things," said Charlotte Hill, a high school librarian from North Dakota who was shopping with her husband, James, and their 28-year-old daughter Sarah, a medical student in Boston. The family has made the store a shopping destination for the day after Thanksgiving for the past 10 years.

Charlotte Hill fondly remembered one year finding a Michael Kors coat for \$65, marked down from \$400.

"It's the prices. We always find designer things for the best prices," declared Hill, as she and her family left the store with a \$240 pinstripe suit, two leather wallets, and two pairs of gloves for her iPhones.

<http://bostonglobe.com/business/2011/11/26/shoppers-reminisce-filene-basement/GE5ZzLOTI8fhi8uZTJoiUK/story.html>



# Filene's Basement final Black Friday

Shoppers feel nostalgia as discounter nears closing

By Cameron Sperance

Saturday, November 26, 2011 - [Updated 2 days ago](#)

Filene's Basement fans of all ages descended like a pack of door-busting brides on the chain's Back Bay store yesterday to experience the bankrupt retailer's final Black Friday.

"There are too many greasy spoons around and not enough quality like Filene's," said retired Bostonian Rita Petroni, 74. "It was sad enough when the one in Downtown Crossing closed, and now we have to see this."

The 102-year-old company, which famously bought the stock of Chanel boutiques in 1940 when the Nazis approached Paris and sold it in its Boston locations, will close for good in early 2012 after liquidation sales timed to take advantage of the holiday shopping season.

"It's so nuts. I've been shopping here with my mom forever," said Lian Parsons, 16, of the West End. "In today's economy, we need good deals. I'll definitely miss it."



Filene's Basement, which is shuttering all 21 of its stores as part of a bankruptcy filing by parent Syms Corp., has slashed its already heavily discounted prices by another 20 percent to 40 percent.

"I've been coming here since 1987, and the prices were awesome — especially for suits," said Richard Lewis, Sr., a managing partner at Windsor-Fitzgerald who was shopping for bargains yesterday.

Judey Cunha, an employee at Beaucage Salon and Spa on Newbury Street, said people came from all over the world to buy discounted Armani, Versace and Gucci clothing. She said the chain sharply declined in 2007 after the Downtown Crossing location closed to make way for a redevelopment that never materialized because of the recession.

"After it shut down, the company became just like any other discount chain, so this closure is pretty anticlimactic — though I did score a good deal on Dolce & Gabbana sunglasses," said Cunha, who fondly recalled the "total mayhem" of the Basement's trademark "Running of the Brides" sales.

"Women were just snatching left and right — and it wasn't even for correct sizes," Cunha said. Still, I got my wedding dress there. It's the end of an era."

The liquidation, which started Nov. 16, has a twist: Filene's Basement, with a judge's approval, actually added "non-Filene's Basement merchandise, of like kind and quality" to the sale, according to its website.

[http://www.bostonherald.com/business/general/view/2011\\_1126basements\\_final\\_black\\_friday\\_shoppers\\_feel\\_nostalgia\\_as\\_discounter\\_nears\\_closing/srvc=home&position=6](http://www.bostonherald.com/business/general/view/2011_1126basements_final_black_friday_shoppers_feel_nostalgia_as_discounter_nears_closing/srvc=home&position=6)

ARTICLE COLLECTIONS

**boston.com**

## Blue laws delayed onslaught

November 26, 2011 | By Christina Reinwald and Todd Wallack, Globe Correspondent | Globe Staff



**Filenes Basement** was packed with patrons who squeezed in to take a look at...  
(Filene's Marketing Archives)

When impatient shoppers pressed against the doors at a Target store in Somerville before midnight on Thanksgiving, it was an employee - also standing out in the cold - who told them to back up.

Under Massachusetts blue laws, employers could not force workers to come in until the stroke of midnight on Black Friday. So most local stores opened at 12:30 a.m. or 1 a.m., giving them only a brief time to prepare for the onslaught of shoppers on the busiest retail day of the year.

For some workers, that meant standing in cold parking lots with the crowds and police, waiting to be let in.



At the Somerville Target, shoppers pressed down some orange netting that was set up as a buffer zone to keep them a safe distance from the doors.

Molly Snyder, a spokeswoman for Target, said the store had no employees inside the building before midnight.

"No team members at the point of the incident were in the building," Snyder said.

Jon Hurst, president of the Retailers Association of Massachusetts, said the law is "so unclear, so unintelligible that it may be unenforceable. It needs to be rewritten."

A spokesman for Attorney General Martha Coakley's office said it had not received complaints from workers.

Some stores opened earlier - Wrentham Village Premium Outlets welcomed customers at 12:01 a.m. - suggesting some employees showed up before midnight to prepare for the opening. The shopping center didn't immediately return calls seeking comment. But it had issued a statement saying the mall takes steps to comply with regulations.

Similarly, some stores at Patriot Place in Foxborough opened at 12:01 a.m.

Many people seemed confused that stores weren't opening until 1 a.m.

"All the circulars said midnight, but now, I'm hearing that it said the Massachusetts time in small print," said Doreen Dellisola, 47, a Somerville resident who was shopping at Target.

Snyder said that advertisements had asked shoppers to check particular store hours online.

There were also signs hanging in the store indicating the 1 a.m. opening, she said.

Dellisola said she has shopped on Black Friday for 10 years, but this was her first time going at midnight.

"Everyone's trying to save money where they can," she said.

# The Street

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## 5 Great Holiday Gift Cards Stocking Stuffers

By Jason Notte 11/30/11

BOSTON (MainStreet) -- When holiday shoppers care enough to give but not enough to put lots of thought into it, the trusty gift card always manages to save the season.

According to the National Retail Federation's *Holiday Consumer Intentions and Actions* survey conducted by BIGresearch, holiday shoppers are expected to spend \$27.8 billion on gift cards this year alone. That's an average of \$155.43 per shopper, the highest amount since 2007 and up from \$145.61 last year.

Roughly 80% of all holiday shoppers will buy gift cards this year, compared with 77.3% in 2010, and they'll be spending more with each purchase. The average amount going on gift cards this holiday season is \$43.23, a slight increase from \$41.48 last year.

Ask those same shoppers why they're going with the plastic or e-card gift rather than specific goods and 46.4% will say they will buy gift cards because it allows the recipient to choose exactly what he or she wants. That's a bit more thoughtful than the nearly 20% who say they will choose the cards because they are more convenient.

Holiday shoppers who aren't into handing a friend, co-worker or loved one a repackaged pile of cash make pretty decent points as well. About 9% say they'd rather buy an item on sale than a gift card with a fixed price, while 17.4% say they're leery of suddenly subjecting their gift to fees and expiration dates that wouldn't exist if they just handed the recipient a bunch of bills in a card. The biggest argument against gift cards, however, is that 26.1% of those who shun them think they seem impersonal no matter what card they're wrapped in or what trinkets they're bundled with.

That leaves out one larger point, however: Gift cards are only as good as the companies issuing them. Gift card monitoring site ScripSmart assigns zero-to-100 scores to gift cards from retailers throughout the U.S. and has no qualms about calling out companies on shaky ground. Anyone holding a **Filene's Basement** gift card, for example, should unload it like nuclear waste after that discount chain declared Chapter 7 bankruptcy, liquidated and earned its card a goose egg rating for belonging to a soon-to-be defunct organization.



Health and beauty supply chain Rite-Aid's gift card scored the second-worst rating -- a lowly 15 -- by coupling its shaky financial footing with a card that can't be bought directly from **Rite-Aid**(RAD ), can't be redeemed online, can't be reloaded, can't be refunded and can't escape a 10-year expiration date that Rite-Aid doesn't even allude to on its Web site. Fortunately, there are far more stable and shopping-friendly choices out there.

**Disney's**(DIS ) gift card, for example, has no fees or expiration dates and can be redeemed through any of Disney's numerous brands. **Chili's** restaurant gift cards, meanwhile, don't expire or carry a fee and can also be used at **Brinker International's**(EAT ) Maggiano's Little Italy. Interbrand use is also key to the **Williams-Sonoma**(WSM ) e-gift card, which can also be redeemed at **Pottery Barn** or **West Elm**.

With help from ScripSmart, we came up with the best five gift cards to stuff a stocking with this holiday season:

<http://www.thestreet.com/story/11326237/1/5-great-holiday-gift-cards-stocking-stuffers.html>

# Bloomberg

## **Rochelle on American Airlines, Syms-Filene's Basement: Audio**

Nov 30, 2011 9:57 AM ET

The Chapter 11 filing by American Airlines Inc. and parent [AMR Corp. \(AMR\)](#) presents the opportunity to restructure an aging fleet while dealing with labor costs that exceed the competition, as Bloomberg Law's Lee Pacchia and Bloomberg News bankruptcy columnist Bill Rochelle discuss in their podcast. The second item deals with discount retailer Syms Corp. and the question of whether \$9.50 a share is more than stockholders will recover through liquidation in Chapter 11.

<http://www.bloomberg.com/news/2011-11-30/rochelle-on-american-airlines-syms-filene-s-basement-audio.html>

<http://media.bloomberg.com/bb/avfile/vfXZ2Hvrk8Vg.mp3>



## **Florida layoffs rise 20.4% in November**

**South Florida Business Journal**

Date: Wednesday, November 30, 2011, 10:10am EST

Florida-based employers announced 20.4 percent more job cuts in November, according to data from outplacement firm Challenger, Gray & Christmas.

Businesses in the Sunshine State reported 1,134 cuts in November, up from 942 in October. The figures are based on public layoff announcements, such as Worker Adjustment and Retraining Notification notices filed in Florida.

Syms Corp. /Filene's Basement was among the businesses that announced layoffs in November. The company is to lay off 176 workers statewide, of which most are in South Florida.

In the southern U.S., only Alabama's 1,237 reported layoffs surpassed Florida job cuts. California had the nation's highest number of cuts in November, with 4,121.

Nationwide, layoffs fell 0.7 percent, to 42,474 from 42,759 in October. The job cuts decline comes after a reported 115,730 layoffs in September – a 28-month high.

Government sector job-cut announcements dominated in November, with 18,508 cuts nationwide, or 44 percent of all announcements.

“Over the past six months, we definitely have seen a shift away from the heavy government job cuts at the state and local level toward increased job cuts at the federal level,” Challenger, Gray & Christmas CEO John A. Challenger said in a news release. “The worst may be yet to come, as cutbacks spread from the military to every other agency in Washington.”

The No. 1 reason for November job cuts was cost cutting, followed by restructuring, closing, economic conditions and demand downturn.

<http://www.bizjournals.com/southflorida/news/2011/11/30/florida-layoffs-rise-in-november.html>

# NEW YORK

11/30/11 at 10:45 AM

## Filene's Basement Will Auction Off Its Own Name

By CHARLOTTE COWLES



As part of the liquidation of Filene's Basement, which filed for bankruptcy earlier this month, the retailer's intellectual property assets will be auctioned off. Assets include the Filene's Basement trade name, Internet URLs and websites, and the Running of the Brides name. We know, we know: It's *just* what you wanted for Christmas.

<http://nymag.com/daily/fashion/2011/11/filenes-basement-will-auction-off-its-own-name.html>



# The Huntington News

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THE INDEPENDENT STUDENT NEWSPAPER OF THE NORTHEASTERN COMMUNITY

[www.HuntNewsNU.com](http://www.HuntNewsNU.com)

For the students, by the students since 1926

## NU students spotlight vacant Filene's site

Posted on 11/30/11 • Categorized as [City Pulse](#)

By Adrian Tenecela

Since April, the efforts of the Boston's Business Improvement District (BID), a non-profit committed to achieving downtown's full potential as an economic center and vibrant neighborhood, have cleaned the streets and set up events to promote business near Downtown Crossing. The project consisted of removing street trash, cleaning up vandalized sites and setting up public events such as galleries and performances.

Yet the removal of street blemishes is overshadowed by the lack of progress to make use of the area's vacant sites, such as the former Filene's Basement location.

Vornado Realty Trust, the owners of the empty Filene's property, have yet to state any new plans for improvement, though the site has been vacant since 2008. A previous project that planned a residential and office tower with the retailer Target occupying the basement was halted, with financial difficulties cited as the cause. Witnessing the lack of attention to the fenced venue, Northeastern's environmental design class, which is offered to junior and senior design majors, held an event Nov. 19 to raise public awareness of Vornado's neglect to the site at 1 Franklin St.

"This is the most public event the class has held," Lee Moreau, the professor of the course, said. "So much that we had to get a city permit."

After all was set, Saturday Nov. 19 was dubbed Hello Vornado Day. Running from 10 a.m. to 5 p.m., the event was held in front of the previous Filene's building, on the corner of Washington and Franklin Streets. The class set up exhibits to glorify previous versions of Downtown Crossing and promote continued development.

Senior Annalise Ogle offered passing pedestrians a chance to look through stereoscopes, which put two photographs of the same subject next to each other to create an impression of depth, to see an old downtown, when Filene's was still in business. Ogle said the photos were meant to remind the residents of how active downtown once was due to attractive landmarks.

Her exhibit was set up next to a five foot arrow, designed by junior Rebecca Pravda, pointing at the fenced basement. The words "Welcome To Boston's Greatest Masshole"

covered the arrow's front surface. Junior Elissa Sullivan and Senior Dexter Ferguson designed other visuals that hung from the fence.

People walking through downtown during the event were encouraged to participate in activities on site. Senior Michelle Gayowski collected public opinions for the class website, [www.HelloVornado.com](http://www.HelloVornado.com), by having people write their opinions on a large cut-out resembling an old Polaroid photo.

Senior David Restreppo walked around the site holding a sign reading "Hole Sale." Restreppo crafted miniature versions of the fenced site with a concrete rock in the middle to represent the empty building. He said his intentions were not to give out the souvenirs but to give the Filene's building the spot in history it deserves.

Senior Nader Boraie designed and handed out postcards depicting unpleasant sites around downtown. Already stamped and addressed to Vornado, Boraie encouraged the public to write their thoughts on the back and mail them.

"I want people to send their opinions to Vornado, so that they do something about the building," she said.

Conveniently, a mailbox was located across the site.

<http://huntnewsnu.com/2011/11/nu-students-spotlight-vacant-filenes-site/>





## Syms Equity Holders Strike Back At Creditors

By **Martin Bricketto**

Law360, New York (December 07, 2011, 7:15 PM ET) -- Syms Corp. shareholders on Wednesday asked a Delaware bankruptcy court to reject an attempt by unsecured creditors of Syms and Filene's Basement LLC to disband a committee representing the shareholders' interests, claiming they failed to show that the committee's appointment was improper.

In an opposition to a motion by unsecured creditors, the official committee of Syms equity security holders painted the squabble as a product of the intercompany issues at play in the clothing retailers' bankruptcy and said unsecured creditors of Filene's Basement, an insolvent Syms subsidiary, want to capture some of Syms' equity value for themselves.

The official committee of unsecured creditors in November moved to either break up the equity committee or limit the scope of its work and cap the amount of legal fees and expenses for which it could be reimbursed at \$500,000. A hearing on the motion is set for Dec. 14.

"By bringing this motion, the [unsecured creditors committee] has done a disservice to all the stakeholders in the cases," the equity committee said in a filing Wednesday.

The equity committee said the U.S. trustee's decision to appoint the equity committee can only be reviewed for an abuse of discretion, and the creditors committee hasn't met a highly deferential standard for showing the decision was arbitrary or capricious.

Even so, the equity committee said the trustee made the right call, denying that the debtors' management and board could represent their interests. Those officers and directors owe conflicting duties to Filene's Basement and are potentially subject to claims by Syms' estate for prepetition actions, the filing said. The committee also denies that the creditors committee can't protect shareholder interests.

The equity committee also argued against the creditors committee's bid to restrict its professional fees and the scope of its work. The committee has direct interest in limiting fees and expenses because "every dollar spent at the Syms level reduces the return to Syms' shareholders by equal measure," the filing said.

The equity committee said the court should not only deny the motion but also reject any request by the creditors committee for professional expenses in connection with it.

U.S. Trustee Roberta A. DeAngelis on Wednesday filed her own objection to the motion, saying the creditor committee failed to demonstrate that she abused her discretion by appointing the equity committee.

On Nov. 15, the trustee appointed the equity committee, tapping Esopus Creek Value Series Fund LP, a fund of the Franklin Value Investors Trust and DS Fund I LLC as members.

If the creditor committee's motion is successful, the move may make the road bumpier for investors, who were told at the beginning of the case that they were likely to recover some of their funds.

Secaucus, N.J.-based Syms bought Filene's Basement out of bankruptcy in 2009 for \$62.4 million. But the expected synergies between the discount clothing retailers didn't pan out and the current economic climate created intense competition in their niche, leading the companies to file for court protection on Nov. 2.

U.S. Bankruptcy Judge Kevin J. Carey cleared Syms to use its lenders' cash collateral to fund the early stages of the proposed liquidation. The companies owe \$31 million in secured debt, with Bank of America NA acting as agent, but the companies said they expected to pay off that debt in short order.

The companies should see some relief after a Nov. 15 hearing, when Judge Carey said he would grant their request to conduct a going-out-of-business sale at their 46 stores, which would allow them to use the proceeds to pay off debt.

An attorney for the creditors committee did not immediately respond to a request for comment Wednesday.



The equity committee is represented by Robert J. Dehney, Gregory W. Werkheiser and Matthew B. Harvey of Morris Nichols Arsht & Tunnell LLP and Thomas B. Walper, Seth Goldman and Bradley R. Schneider of Munger Tolles & Olson LLP.

The unsecured creditors are represented by Michael J. Merchant, Paul N. Heath, Zachary I. Shapiro and Marisa Terranova of Richards Layton & Finger PA and Mark T. Power, Janine M. Cerbone and Alison M. Ladd of Hahn & Hessen LLP.

The case is In re: Filene's Basement LLC, case number 1:11-bk-13511, in the U.S. Bankruptcy Court for the District of Delaware.

--Additional reporting by Hilary Russ and Lance Duroi. Editing by Andrew Park.

<http://www.law360.com/articles/291629>

# Fairfield Citizen

## Syms-Filene's Basement closing store in Fairfield

Michael C. Juliano, [mjuliano@bcnnew.com](mailto:mjuliano@bcnnew.com)

Updated 05:24 p.m., Wednesday, December 7, 2011



Syms' Fairfield location, opened at 652 Commerce Drive in 1994, will soon close as part of the company's plan to shutter all 46 of its locations after filing for bankruptcy protection in November. The company said it expects to close all of its outlets by January 2012 after liquidating all of its stores' inventories. Photo: Michael C. Juliano/Staff Photo / CT

The Fairfield outlet for discount retailer Syms Corp. and its subsidiary Filene's Basement will soon close as the company gradually shuts all 46 of its stores after filing for bankruptcy protection.

The 43,000-square-foot store is expected to remain open through January as part of the company's plan to liquidate inventory at all of its locations, including its only other store in the state in Hartford.



The Fairfield store, which employs 28 workers, was built by Syms and opened at 652 Commerce Drive in 1994.

Syms plans to sell the local building -- at the Black Rock Turnpike-Kings Highway traffic circle -- through Cushman & Wakefield as part of the company's plans to divest its properties, according to documents filed in bankruptcy court.

The Syms property, which sits across Commerce Drive from a 23,110-square-foot commercial space that has been empty about a year since Edge of Fairfield moved out, should not be vacant long, said Mark Barnhart, Fairfield's director of economic development.

"It's a prime redevelopment location," he said. "We're just beginning to look at opportunities there."

Publicly traded Syms, which acquired Filene's Basement in 2009 for \$62.4 million, filed for bankruptcy in early November after announcing in May that it was exploring strategic options, including a potential sale.

Company CEO Marcy Syms said in a statement that the two discount chains have faced more competition from department stores offering the same brands at similar discounts and a rising number of private-label discounters. She also said there was less overstock for her company to buy as businesses better manage their inventory in a tough economy.

Syms said the company's board of directors decided after several months that a bankruptcy filing and liquidation is "the best way of maximizing value for all stakeholders."

The fiercely competitive nature of retail is probably as much a cause for Syms' demise as is the weak economy, said Tim Phelan, president of the Connecticut Retail Merchants Association.

"I'm sure the economy played a role, but it's just the nature of retail," he said.

Syms Corp., which employs 2,450 workers overall, was founded in 1959 by Sy Syms. Filene's, the predecessor of Filene's Basement, was founded in 1909 by William Filene.

The Secaucus, N.J.-based company in October reported a net loss of \$11.5 million, or 80 cents per share, for this year's second quarter, compared to a net loss of \$10.9 million, or 76 cents per share, for the year-ago period.

<http://www.fairfieldcitizenonline.com/news/article/Syms-Filene-s-Basement-closing-store-in-Fairfield-2361679.php>



# Madoff, MF Global, Syms, A&P, Garlock, Citizens: Bankruptcy

Published on December, 08 2011 - by Bloomberg

## Syms Bows to Concern that Filene's Might Be Insolvent

Syms Corp. and subsidiary Filene's Basement LLC, the liquidating discount retailers, bent to comments from the two official committee by recognizing the possibility that Syms maybe solvent while Filene's could be insolvent.

Syms filed under Chapter 11 on Nov. 2 believing the liquidation of the retailing businesses will leave money left over for shareholders. The stock market evidently agrees, because the shares rose 19 cents yesterday to \$11.65 in over-the-counter trading.

After bankruptcy, the notion surfaced that Filene's may be insolvent, that is, unable to pay its creditors in full from the sale of its own assets.

Syms agreed to modify the so-called cash-management order by inserting a provision to require treating advances by one company to the other as post-bankruptcy administrative expenses that must be paid in full. The change will be up for hearing on Dec. 21 in U.S. Bankruptcy Court in Delaware.

Yesterday's closing price was the highest since bankruptcy. The day of bankruptcy, the stock rose 27 percent to \$9.72. The stock slumped to \$7.90 on Nov. 14, to rise since then.

Syms began going-out-of-business sales at all stores in mid-November. The sales are to be finished by the end of December. The 15 stores that Syms owns are to be sold after the closing sales.

Secaucus, New Jersey-based Syms purchased Filene's through a bankruptcy auction in June 2009 in Filene's second venture through Chapter 11. At the outset of Chapter 11, there were 25 Syms stores and 21 Filene's locations. Assets were listed for \$236 million, including real estate on the books for \$97.7 million. Liabilities were listed at \$94 million, including \$31.1 million owing on a revolving credit with Bank of America NA as agent. In addition, there were \$11.1 million in letters of credit outstanding on the revolver.

The case is In re Filene's Basement LLC, 11-13511, U.S. Bankruptcy Court, District of Delaware (Wilmington).

<http://www.newsorganizer.com/article/madoff-mf-global-syms-a-p-garlock-d83cd85ab48ab9b4521eccc063acd664/>



## Brick-and-Mortar Retailers Should Read the Writing on the Wall

*Another round of sales data shows e-tailers' continued rise*

Dec 9, 2011, 9:10 am EST | By [Susan J. Aluisse](#), Aviation, Auto & Transportation Writer



If fourth century Roman poet Claudian could come back as a retail consultant today, he'd give brick-and-mortar chains the same advice he offered his boss, General Flavius Stilicho, as the Roman Empire was crumbling around them: "*Change or die.*" Unfortunately, Stilicho stayed his course and was decapitated by political enemies — a fate that (figuratively) awaits traditional retailers who fail to change their business models to stave off the competitive onslaught of online retailers.

The latest sales stats are harbingers of bad news for brick-and-mortar chains. Black Friday shopping helped drive up November retail chain sales by 3.3% at stores open more than a year, according to Thomson Reuters. But that rate of growth is lower than the 5.5% gain the chains reported a year ago. What's potentially worse: About 32% of people surveyed by America's Research Group said they finished a majority of their Christmas shopping in November. That could throw a monkey wrench into hopes for a strong end to the holiday season.

The opposite is true for online retailers, who grew November sales by a whopping 15% over last year. Middle-income shoppers accounted for the strongest e-tail sales, with a growth rate of 19%; high-income shoppers' purchases grew 16%, while growth among low-income customers was 9%.

That middle-income trend is particularly scary for chains like **J.C. Penney** (NYSE:[JCP](#)) and **Sears** (NASDAQ:[SHLD](#)), which already have struggled this year as mid-market retail sales slumped with shoppers effectively choosing [between the upscale or bargain stores](#).

And online retailers aren't about to ease up on the pressure. **Amazon** (NASDAQ:[AMZN](#)), which already has been eating physical stores' lunch, upped the ante with its Price Check app, which encourages shoppers to scan an item in a brick-and-mortar store to see if Amazon has it at a better price. To make matters worse, AMZN this Saturday is giving shoppers as much as \$5 off for each item (with a maximum of three) if they buy from Amazon after using the app in a physical store.

Predictably, traditional retailers view Amazon as Kris Kringle's evil twin: Instead of Macy's "Miracle on 34th Street" Santa sending shoppers to rival Gimbels for a better price, he's lurking in the digital shadows to lure paying customers out the back door. In response, legacy retailers are urging lawmakers to retaliate with e-commerce sales taxes.

"By continuing to evade collecting state sales taxes, Amazon's exploitation of a pre-Internet tax loophole is resulting in a 6% to 10% perceived price advantage over their competitors on Main Street," Retail Industry Leaders Association spokeswoman Katherine Lugar said this week. "Amazon's aggressive promotion of its Price Check App shows the lengths they are willing to go to exploit this tax loophole, and is a stark reminder of why Congress needs to act to protect retailers on Main Street."

RILA's rage is understandable, but complaints and e-commerce taxes won't quash the competitive threat posed by online retail. New taxes — which are an eventual *fait accompli* — will raise costs for Internet pure-plays like Amazon, but brick-and-mortar stores likely will not receive much benefit from it because consumers are growing addicted to convenience. And with the fastest e-commerce growth occurring *outside* the U.S., major global players are eyeing cross-border IT platforms that allow them to leapfrog establishing a physical presence in new markets.

The fate of traditional retailers likely will come down to Claudian's "*Change or die.*" On the death side, consider the recent bloodbath in brick-and-mortar chains. "Digital Darwinism" devoured video retailer Blockbuster and bookseller Borders. **Discount apparel retailer Syms and its Filene's Basement unit recently suffered the same fate, failing to survive against online merchants and competing designer discount chains like Ross Stores (NASDAQ:[ROST](#)) and TJX (NYSE:[TJX](#)).**

Since no retailer wants to end up like Stilicho with his head on a pike, change is the better choice. Just ask J.C. Penney, which last month reported nearly a 5% drop in sales and a third-quarter operating loss of \$171 million — compared to a \$124 million profit for the same quarter last year. Under new CEO Ron Johnson, JCP is buying a \$38.5 million stake in **Martha Stewart Living Omnimedia** (NYSE:[MSO](#)) — a move aimed at giving the battered mid-market chain a



more upscale feel. A major part of the new venture will be an e-commerce site for cross-licensed Martha Stewart products, which JCP plans to launch in 2013.

*As of this writing, Susan J. Aluise did not hold a position in any of the aforementioned stocks.*

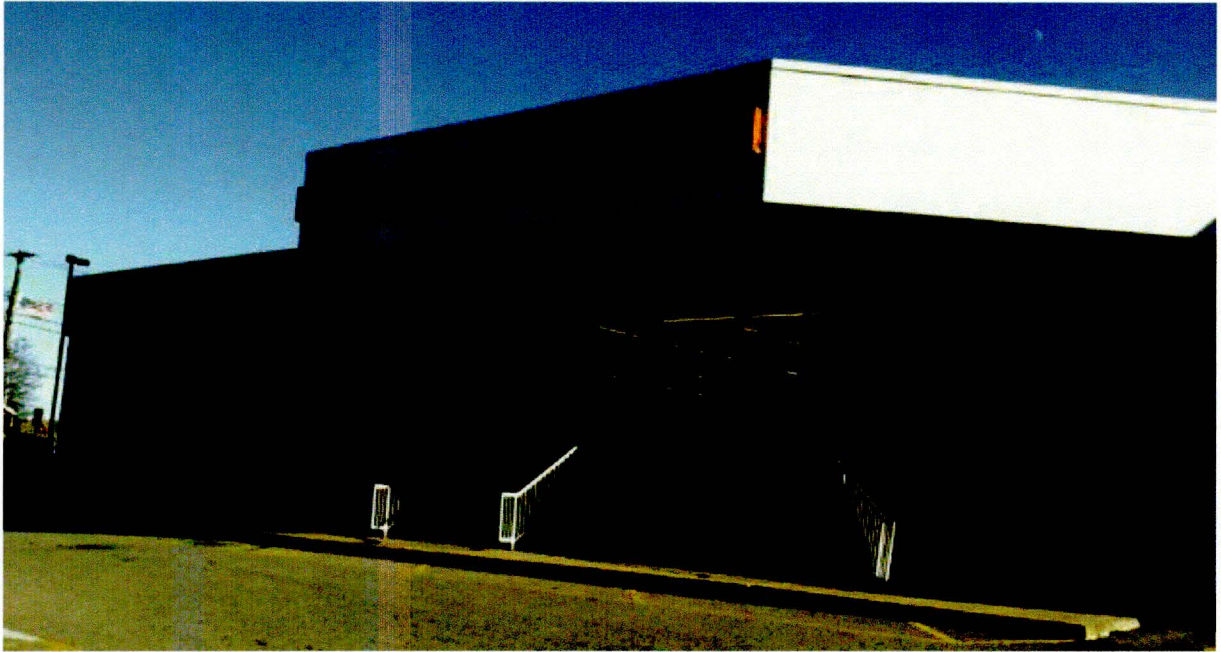
<http://www.investorplace.com/2011/12/brick-and-mortar-retailers-online-retail-sales/>

# Fairfield Citizen

## Syms-Filene's Basement closing store in Fairfield

Michael C. Juliano, Staff Writer

Published 11:21 p.m., Friday, December 9, 2011



*Syms' Fairfield location, opened at 652 Commerce Drive in 1994, will soon close as part of the company's plan to shutter all 46 of its locations after filing for bankruptcy protection in November. The company said it expects to close all of its outlets by January 2012 after liquidating all of its stores' inventories. Photo: Michael C. Juliano/Staff Photo / CT*

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<http://www.fairfieldcitizenonline.com/news/article/Syms-Filene-s-Basement-closing-store-in-Fairfield-2393582.php>



## The Filene's Basement Story From Those Who Knew It Best

By Lori Gwyr

*Once one of Boston's most well known shopping destinations, Filene's Basement is the subject of the new documentary **Voices from the Basement**, premiering **Thursday, December 9 at 8:30pm on WGBH 2**. Through newsreels, archival footage, vintage photographs and audio recordings, filmmaker Michael Bavaro and psychologist Dr. Susan Edbril illustrate the enormity of this landmark institution, weaving history through a collection of stories told by the people who worked and shopped at the Basement. Recently, WGBH's Lori Gwyr sat down with Michael Bavaro to discuss his new film.*



**Executive producer Sue Edbril and producer/director Michael Bavaro of 'Voices from the Basement.'**  
**Photo: Angela Rowlings**

**WGBH:** How did this documentary originally come about between yourself and Dr. Edbril?

**MB:** I had just completed a documentary about Rex Trailer, who had a kids' show here in Boston for many years. Dr. Edbril had approached Rex about an idea she had about Filene's Basement, and he said you should talk to Michael. So I heard what she had to say, and we talked about it. Because her grandmother had originally worked there for 40 years, it was to be a doc about the women who worked in the Basement. But the more we explored it, the more we saw there were many other layers. We thought we would start off with a small film, but over

time there were more and more things that people didn't know about what Filene's had contributed to society. **WGBH:** Watching the documentary, it seems everyone involved with the



store – from shoppers to employees – had this sort of nostalgic admiration for it. Something about that store was definitely special, what do you think that was?

**MB:** You know, I think it's all timing. We were at the dawn of the industrial revolution, the twentieth century. The things we take for granted now were just becoming available as conveniences of life. Filene's was one of the first stores to offer ready-to-wear machine-made clothing, right before everything was tailored. I think the thing that caught on about the Basement was that suddenly you could get really good stuff from Paris and around the world, and it would be at a discount price. Filene's introduced that idea. There had been other bargain basements, but they were kind of dark and dingy, with castoffs. This was quality stuff. Then they created the Automatic Markdown System so that people would think they were getting something for nothing.

**WGBH:** Can you talk a little bit more about the Automatic Markdown System. Do you know how that came about?

**MB:** It was Edward Filene's idea. He wanted to create a system that was like an auction in reverse. Everyone at the time called it "Filene's Follies." Some thought, well that's ridiculous, people will wait until the price gets down to 75 percent off. But, Filene knew that it was good stuff and that people would want to be the first to get it before it was gone. I think it set into motion this whole discount concept. Even today, people might say "Oh I got a Filene's Basement bargain deal on my car," or something else. It's become part of our vernacular, in terms of what a deal is. There were a lot of copy cats – Jordan Marsh had a basement, Macy's has a basement or a cellar. Everybody tried to play off that idea, but there was no place like Filene's Basement. And I think it had to do a lot with that location, because at the time the subway system had just been put in and the Filenes knew that area was going to be like the crossroads of the world.



**Shoppers browse through racks of discounted men's suits.**

**WGBH:** In the film we see that they had a snack bar for people and some of the interviewees describe "making a day of it."

**MB:** In those days, there weren't shopping malls out in the suburbs, so people would make an event of going into the city. While they shopped they would get hungry. A lot of places had snack bars and counters. It was a ritual, you would go to Filene's, and then you would maybe go to Bailey's afterwards for an ice cream. People talk a lot about what the whole downtown crossing area was like back then. Then of course, malls started opening up; it was more convenient for people to go shopping for an hour or two close to home.

**WGBH:** The film captures the history of Filene's Basement through many different vehicles – archive footage, there's newsreels, photos, personal stories – did you face any challenges with, for example, finding former employees or celebrities, or was that pretty easy to do?

**MB:** Well, there's a couple of things. Celebrities weren't that forthcoming. We had many men who wanted to talk, but people always think of the shopper as the woman. We had heard of different celebrities who were down in the Basement, like Liza Minelli, and we approached all of them about being in the film, but nobody really wanted to talk. The only one that agreed was Estelle Parsons, because she's from the Boston area. She went off to New York to do the Today Show when it began, and [in the film] she talks about how all her clothes came from Filene's Basement. I think what we found was that some people saw shopping at Filene's as a badge of honor; others didn't want to admit they shopped there.

**WGBH:** Yeah, the two groups of shoppers.

**MB:** So that was fascinating to discover. Like some people called it "Filene's" and others called it "Fuhlene's."

**WGBH:** Actually, I wanted to ask you about that. So Michael, for you, is it "Filene's" or "Fuhlene's?"

**MB:** Well, I still say "Filene's," but when I want to be uppity about it, I say "Fuhlene's."

**WGBH:** Some of the former employees you spoke to described working at Filene's as a lifetime job, like stock boys would work their way up to men's suits. Was that the case for most of the modern-day Filene's workers you interviewed? Did you find a lot of lifers who still worked there in 2007?

**MB:** In 2007, there were several people who had spent their careers there. One woman, Sylvia Amenta who had worked there for 60 years, started right out of high school. And Bernard Horan, who came here from Ireland in 1964. They all thought that they would just take a leave of absence or two-year vacation [when the store closed], maybe some of them retired, I'm not really sure. We really didn't speak to the employees of today, because it's a different company now.

**WGBH:** What was that like actually to be part of such a historic and emotional moment when the original Filene's Basement closed?





**Filene's Basement** was beloved for its deep discounts on high end goods, often at the expense of personal space and privacy. Filene's built its first private fitting room for women in the 1980s.

**MB:** At the time, we were looking forward to a grand opening and filming that, and having the ribbon cutting and then maybe have the film premiere around that event. When we saw that it wasn't gonna happen, I think we realized we were there for the closing and really did capture history. I think this film sort of helps people grieve the loss of the store in some way.

**WGBH:** Definitely, there was sort of a cathartic feel to it at the end. So take me through the process of organizing the film. You had all this old footage and photos and interviews to go through, and you ended up breaking the film into segments. I love the "Hunters and Gatherers" section. How did you decide it should all come together in the end?

**MB:** Sue and I had talked about a lot of the topics that we wanted to explore. She's a psychologist, so she was really interested in the psychology of what made people hunt for a bargain, and why employees worked there for so many years, why they were so committed. We started off just interviewing people to find out what they had to say. And then we found pictures and old newspaper articles. We didn't really have a lot of footage or material.

**WGBH:** Where did you find that stuff?

**MB:** I found some on eBay. I found a woman up in Vermont who's grandfather started off as a stock boy and rose to become chairman of the company. She had some old recordings and films stored away in the barn. It was like an archeological dig, because a lot of this stuff had to be found. Even when we premiered the film at the Parker House back in May, I didn't have the footage that's in the film now. When we showed it last month at Dean College, we found a couple who met there in the 1960s and shot home movies of all the different sales and people working. The new film shows authentic coat sales, fur sales, bridal sales, employees, and even parties after work from the 1960s. I replaced a lot of the stock footage and photographs with the new footage, and it really better illustrates the era of the 50s and 60s. It looks like the scene out of "Mad Men."

**WGBH:** Following up on that, the Basement in its early days was something of a dichotomy, in that people considered it very democratic. I think it might have been Former Governor Dukakis who used the term "leveling," where commoners could rub shoulders with doctors. But at the



same time, there were some very clear divisions. Dukakis said he never saw a black sales person at the Basement or anywhere else. And men had their own dressing rooms, whereas women had to strip down in public. What did you think about the two faces of Filene's, so to speak?

**MB:** I grew up in the time when we were coming out of that generation of "it's a man's world." I saw women's liberation and the feminist movement. I think some of the things that were accepted then, are not politically correct today. And even though Boston was one of the first states to abolish slavery, there was still an unwritten prejudice here – I think everywhere. Over time, though, you saw people of color working in the Basement. I'm married to an African-American woman, so we talk a lot about that – how some things change, but they still stay the same. But I think in places where people were employed, it did change. On the dressing rooms, part of the show was to go down there and watch the women undress; it was part of the allure of shopping there. I think the store got away with it for as long as it could, until a woman in the 1980s decided to file a discrimination suit against Filene's. So they then had to make a dressing room for women. That was what we discovered as we were making the film. That's also why there is no narrator – I didn't want to put a voice on it.

**WGBH:** You let the images and the people speak for themselves.

**MB:** You know, Mike Dukakis was around before I was, so he observed that and I didn't. But I think it spoke to the democracy of the basement. Because even then, it didn't matter what color or what class of society you came from, everybody had the same access to the goods.

**WGBH:** One of my favorite moments in the film was the juxtaposition of the "Running of the Brides" event with the running of the bulls in Spain. I really thought that was great. Do you know how and when the Brides event came about?

**MB:** The first bridal sale was in 1947. There's footage from the 1960s that shows the wedding gown sale and people coming in and just buying dresses out of big piles. Some would ship them off to Italy; some would buy a dress just to scrub pots with it. So it wasn't like it is today. Later, maybe in the 70s and really into the 80s, it became more of a media event – because people lined up at the doors for all the sales. You'll see that in the 60s too, for handbag sales and coat sales. They're all waiting at the door and then they rush in. And that carried over to the "Running of the Brides." And the "Running of the Brides" comes from the running of the bulls. I cut the bull shot in – no pun intended – because people think like that and it's funny, it gets a laugh. Susan Dobscha, who's a professor at Bentley, did a whole study about the "Running of the Brides" and didn't appreciate that shot. She said it sort of gave credence to the whole stereotype of women charging in like animals. We had a big back and forth about it.

**WGBH:** Well, I'm glad you won that argument. It's definitely a classic moment in the film.

**MB:** Well, I had final cut, so...

**WGBH:** So let's switch the focus to you for a little bit. You began filmmaking in high school. What first got you interested in it and what was your first project?



**MB:** I was always an artist and my parents always got me paints and things. But I was fascinated with our home movies, thought about how they worked; how could I be on the screen and be sitting here watching at the same time? No one could really explain that to me. So, when I got into high school, I had a teacher who got me into a Saturday morning program at Mass College of Art, and I ended up in the wrong class. I ended up in filmmaking. Since I had always been interested, I asked if I could stay. And they let me stay. I started off making an animated film – just experimenting with frames and understanding movement. Then I just experimented with movie cameras with my friends and we would make little movies. My first film was called “Blocky,” which was a spoof on “Rocky.”

**WGBH:** And what do you think of “Blocky” now, looking back on it?

**MB:** I think it was the beginnings of YouTube; seems like what people are doing now. Everybody is making movies, everybody is telling stories. For me, though, instead of a video camera or a digital camera, I had a Super 8 film camera. So we made a spoof about “Rocky.” It was this chubby little Italian guy who was trying to impress his girlfriend. Instead of working out on a side of beef, he worked out on links of sausages that his father had in a deli that he owned. We tried to mimic “Rocky” in a funny way, sort of like Mad Magazine. That led me to make more films, and when I got into college I made a documentary about my hometown. From there, I went into advertising and promotion, doing commercials and promos.

**WGBH:** So you were nominated for a New England Emmy for your documentary about Rex Trailer’s Boomtown, and I understand that’s now even a part of the permanent collection at the Museum of TV and Radio. Are you sort of a sucker for nostalgia, do you think?

**MB:** I think I am. After working in advertising for a while, I felt like I wasn’t telling stories like I wanted. I thought it was important to make a film about something I was passionate about. When I met Rex Trailer, who I had watched growing up, it was the perfect fit. Sue also wanted to make a passion film about her childhood. We put five years of love into the film and I’m really happy with the way it turned out.

**WGBH:** Must have been quite a process. So what’s in store for you next, Michael?

**MB:** I have a production company called Digital Freeway and I just moved back up to Massachusetts from New York. My job is; I make people’s dreams come true. I think everybody has a story to tell.

<http://www.wgbh.org/articles/The-Filenes-Basement-Story-From-Those-Who-Knew-It-Best-1109>

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# Filene's Closing Ends Unusual Legacy

*Century-Old Firm Was Founded by Reluctant Jewish Capitalist*

By [Ari Paul](#)

Published December 11, 2011, issue of [December 16, 2011](#).

This holiday season will be the last for two iconic discount clothing retailers with historic Jewish roots: Filene's Basement and Syms, which acquired the former in 2009. Both recently declared bankruptcy and will cease operating in January.

While the commercial legacy of the Filene family may end soon, founder Edward Filene's social legacy, as an exemplar of progressive management and labor rights, has suffered diminishing influence that long predates his store's demise. Filene, in a sense, was emblematic of an urban, immigrant-centric political consensus between capital and labor that Americans have swept into the dustbin of history.

"The Jewish entrepreneurs — not to mention Jewish labor leaders — were important in the construction of an ideological political bloc that became the New Deal," said Nelson Lichtenstein, a professor of history at the University of California at Santa Barbara.

In 1909, brothers Lincoln and Edward Filene — sons of a German-Jewish immigrant — embarked on a new venture: taking unsold items from their father's department store and selling them at discount prices out of a low-cost basement location in Boston. Each week, unsold items would be marked down systematically. After a few weeks, if still unsold, the brothers would give them to charity. The business grew into a chain of retail stores in such cities as New York, Chicago and Washington, D.C.

Unlike the capitalists of the time who were battling militant unions, Edward Filene offered his employees an in-house mechanism — sometimes equated with a company union — to address their concerns about working conditions and raise their pay. It became a model for his core political beliefs.

Filene lobbied for workers compensation laws. His prominence later led to him to ally with President Franklin D. Roosevelt during the development of New Deal projects, including the use of public works projects to ease high unemployment. He was also a key supporter of the National Labor Relations Act, signed in 1935, on the grounds that codifying collective bargaining would alleviate disorder stemming from worker unrest at the time. The NLRA, he believed, was also essential for raising workers' wages, which would increase consumer demand.

While his brother had taken over majority control of the company by the time Roosevelt came into office in 1933, Edward Filene's prominence as a successful businessman made him the perfect endorser for Roosevelt's capitalism with a Democratic face. But Filene wouldn't live to see the post-war prosperity. He died in 1937.



Meg Jacobs, a professor of history at the Massachusetts Institute of Technology, noted that Filene, like Henry Ford, believed workers needed to have living wages in order for them to be consumers. But the similarities end there, primarily because as a retailer Filene was intimately involved with his customers on a daily basis while industrialists like Ford were isolated from the actual marketplace.

"This whole idea with the bargain basement really sort of spoke to the surroundings he came from," Jacobs said of Filene. "He saw the need right there before him and had a perception of who his customers were."

In addition, Jacobs said, though Ford paid his workers living wages, he believed they should rely on a thrifty, austere and almost Victorian lifestyle. Filene didn't see it that way. He believed that the immigrant who shopped at his store deserved to enjoy the material comforts one could find in America but not back in Europe.

"Pariah might be too strong a word, but [he was] definitely a maverick, particularly as politics evolved and changed," Jacobs said of Filene. "It put him beyond the bounds of where most businessmen were."

While the company is liquidating, Filene's ideas do live on in the Century Foundation. Founded by Filene in 1919 as the 21st Century Fund, it was a think tank that, as Jacobs explained "lent academic credibility and legitimacy to the National Labor Relations Act and also to Social Security," along with other aspects of the New Deal.

Like other bargain retailers, Filene's was forced out by a crowded market, with Wal-Mart and Target the ruling kings. But the mission of these stores does not include raising communities up the class ladder. Wal-Mart's business today remains a target for anger from unions and women's rights activists, who claim that the company practices workplace gender discrimination.

"Stuff is cheap at Wal-Mart and Target, but the other side of the equation is to have higher wages and a voice for the working class," Lichtenstein said. "That is not what Wal-Mart or Target or Home Depot [are] interested in, the way Filene was."

Contact Ari Paul at [feedback@forward.com](mailto:feedback@forward.com)

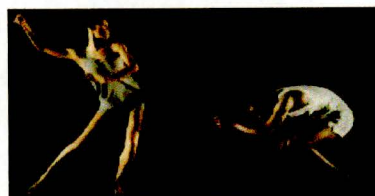
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## **Filene's Closing Ends Unusual Legacy**

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<http://www.forward.com/articles/147584/?p=2>

## Competitors shine

In comparison, business is booming for competitors, including TJX, owner of TJ Maxx, Home Goods and Marshalls. The \$21.9 billion company recently opened additional outposts of all three divisions in the Big Apple, and it raked in nearly \$350 million in profits for the quarter ended July 30.

New York City stalwarts Daffy's and Century 21 are in expansion mode, and flash-sale sites like Gilt Groupe and Rue La La are increasing in popularity. Even luxury department stores, from Saks Fifth Avenue to Nordstrom, are opening additional outlet stores to muscle in on the off-price action.

"If you're in a business where all these people are winning, and you're losing, the merchandise has not excited the footsteps," said retail consultant Mr. Davidowitz.

A version of this article appeared in the October 31, 2011 print issue of Crain's New York Business.

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# The Washington Post

**Saddled with large retail vacancies, landlords look at dividing to conquer**



*Jeffrey MacMillan/Capital Business - The former Borders book store at 14th and F streets Northwest as it was being remodeled for a restaurant tenant.*

By Danielle Douglas, Published: December 11

When Morton's Steakhouse signed up in September to move into the former Borders book store in Tysons Corner, the restaurateur only took 34 percent of the 28,988-square-foot space, leaving room for two more tenants.

Expect more of the same in 2012.





*(Kevin Clark/The Washington Post) - The Filene's Basement location in Chevy Chase, along with the other three Filene's stores in the Washington area, are to close early next year as a result of the retailer's bankruptcy.*

Retail experts anticipate more landlords saddled with vacant big-box spaces will carve them up for multiple tenants, rather than let the buildings sit empty in wait for one large user.

Nearly 200,000 square feet of retail space came back on the market when Borders went out of business and closed its eight stores in the Washington area this year. Brokers representing the sites say interest is high, but most of the locations continue to languish on the market.

**And their job is about to become more difficult. Filene's Basement, which filed for bankruptcy in November, is set to add another 150,000 square feet to the market when it closes its four local stores next year. Another retailer could seek court approval to snap up some of Filene's leases, much like Books-A-Million did with 14 of Borders' sites. But the respective landlords already are considering their options.**

"People are getting more creative," said Dimitri Georgelakos, a principal with KLN Retail, the leasing agent for several of the local Borders locations, including the Tysons Corner site. "In some cases, when these large spaces are vacated, the rents they were paying couldn't be replaced by one tenant."

He pointed out, however, that there are still big-box merchants looking to do deals in the Washington area. Just a few weeks ago, discount retailer Big Lots signed on for all 25,125 square feet of the former Borders store in Bowie. The store is slated to open in the first quarter of next year.

Wal-Mart, meanwhile, has moved aggressively to open new stores in Tysons Corner, the District, Oxon Hill and Rockville. The behemoth retailer has even taken over deals that fell through, such as JBG Rosenfeld's plans to bring Home Depot to Pike Center shopping plaza. Wal-Mart's voracious appetite for expansion may prove a blessing for landlords with loads of empty space.

Still, there is a burgeoning trend among big-box retailers to reduce the size of their store formats. Best Buy, Office Depot and Staples announced plans over the summer to scale back the size of their brick-and-mortar stores, as online sales continue to grow.



“The rise of e-commerce is influencing real estate decisions, but there is also an economic component at work here,” said JBG Rosenfeld Retail principal Krista C. Di Iaconi, while recently attending the International Council of Shopping Centers conference in New York City. “Retailers can cost effectively infiltrate more markets with smaller formats.”

[http://www.washingtonpost.com/business/capitalbusiness/retail-landlords-may-have-to-divide-to-conquer/2011/12/07/gIAuXTanO\\_story.html](http://www.washingtonpost.com/business/capitalbusiness/retail-landlords-may-have-to-divide-to-conquer/2011/12/07/gIAuXTanO_story.html)



press release

Dec. 12, 2011, 9:30 a.m. EST

## **Latest Distribution in Filene's Basement Bankruptcy Brings Cumulative Payments to Unsecured Creditors to 72.5% of Claims**

*Chief Restructuring Officer Cohen still expects ultimate payout to meet or exceed 75% mark*

CLOSTER, N.J., Dec. 12, 2011 /PRNewswire via COMTEX/ -- Alan Cohen, Chairman of Abacus Advisors LLC and Chief Restructuring Officer for FB Liquidating Estate (formerly known as Filene's Basement, Inc.), today announced the issuance of a third distribution of dividend checks to Filene's unsecured creditors amounting to 10% of approved claims. This latest round increases the cumulative distributions in the case to 72.5% of unsecured claims.

"At this time, there are only a few unsecured claims that remain to be resolved through litigation or otherwise," said Cohen. "Although we cannot predict when these claims will be resolved, the Debtor continues to expect that it will ultimately pay dividends to unsecured creditors that total 75% or more of their allowed claims."

As previously reported, secured creditors in the Chapter 11 case have been paid in full, and holders of priority, administrative and convenience class claims have received 100% of their allowed claims.

Filene's Basement voluntarily filed for protection under Chapter 11 of the U.S. Bankruptcy Code on May 4, 2009. An affiliate of Syms Corp. acquired substantially all of the company's assets on June 18, 2009, in a transaction executed under Section 363 of the Bankruptcy Code, buying leases for 23 Filene's store locations and a distribution center, along with inventory, fixed assets and equipment at those locations, as well as certain Filene's contracts, intellectual property, trade names and related assets. Syms Corp. and its Filene's Basement affiliate recently filed for Chapter 11 protection and disclosed that it will be liquidating all assets of its namesake and Filene's Basement operations. Cohen stressed that the Syms bankruptcy will have no impact on final payments to unsecured creditors of the FB Liquidating Estate.



Questions about unsecured claims should be directed to Steve Goldstein, Corporate Secretary of FB Liquidating Estate, fbleinc4sg@aol.com, with a copy to Dan O'Brien at dobrien@lmco-ny.com. Creditors can also contact counsel for the Debtor or Creditors' Committee:

### **About Abacus Advisors**

Abacus Advisors ( [www.abacusadvisors.com](http://www.abacusadvisors.com) ) is one of the most experienced turnaround and restructuring firms in the United States. The firm assists companies of all sizes with comprehensive operational turnarounds, Chapter 11 reorganizations, business wind-downs, real estate dispositions, and out-of-court restructurings. Founded in 1999, the firm has offices in metro New York, metro Chicago and Boca Raton, Fla.

Available Topic Expert: Alan Cohen For information on the listed expert, click appropriate link.  
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<http://www.marketwatch.com/story/latest-distribution-in-filenes-basement-bankruptcy-brings-cumulative-payments-to-unsecured-creditors-to-725-of-claims-2011-12-12>

## Some optimism for Eataly coming to D.C.

**Washington Business Journal by Missy Frederick, Staff Reporter**

Date: Wednesday, December 14, 2011, 1:09pm EST

Missy Frederick

Celebrity chef Mario Batali has been indicating for a while now that he'd like to bring his New York-based mammoth restaurant and market complex, Eataly, to the Washington region. Whether there is decent real estate available for such an idea, though, has long been unclear.

But here's some promising news: Jonathan O'Connell reports that Batali's real estate brokerage firm, CBRE Group Inc. , has zeroed in on three or four sites for the restaurateur that could be potential locations for Eataly. The company's keeping the locations close to its vest, however.

Batali's requirements are pretty pie-in-the-sky: he's looking for 60,000 square feet, high ceilings and, ideally, a one-level space.

Brokers have speculated that such a location would be hard to find in D.C. proper, though it's possible Batali will end up settling for a smaller footprint. Downtown retail vacancies left by chains like Borders and **Filene's Basement** are one option, but they are smaller and, in D.C., stretched over multiple levels.

CityCenterDC, under construction at the old convention center site, could have the space but is far off from completion (and rumored to be seeking a department store tenant). There's also the eternal question mark of The Shops at Georgetown Park, which has eyed such potential tenants as Bloomingdale's and Target.

<http://www.bizjournals.com/washington/blog/2011/12/some-optimism-for-eataly-coming-to-dc.html>



# The Record

THE TRUSTED LOCAL SOURCE

## Syms, creditors at odds over examiner

WEDNESDAY, DECEMBER 14, 2011 LAST UPDATED: THURSDAY DECEMBER 15, 2011, 10:06 AM

The discount retailer Syms Corp. of [Secaucus](#) and its creditors' committee are on opposite sides from positions taken in most bankruptcies when it comes to appointing an examiner.

Syms, is asking the bankruptcy judge in Delaware to appoint an examiner and to make the appointment quickly. In a motion for an examiner filed Wednesday, Syms wants an investigation into whether management was guilty of any breach of fiduciary duty or mismanagement, as alleged by a member of the official shareholders' committee. Syms wants the investigation to cover the period beginning June 2009 with the acquisition of subsidiary Filene's Basement.

The creditors' committee filed papers requesting that the judge not consider appointing an examiner at a Dec. 28 hearing. In most cases, it's the creditors that urges appointment of an examiner.

Syms wants an examiner to clear the air so it can move ahead quickly with completion of a bankruptcy plan.

Syms stock closed Wednesday at \$11.30, down 95 cents in over-the-counter trading. The day of the bankruptcy filing, the stock rose to \$9.72, a 27 percent increase from the previous day's close. The stock slumped to \$7.90 on Nov. 14 and had risen as high as \$12.65 on Dec. 12.

— Bloomberg News

[http://www.northjersey.com/news/135641398\\_Syms\\_\\_creditors\\_at\\_odds\\_over\\_examiner.html](http://www.northjersey.com/news/135641398_Syms__creditors_at_odds_over_examiner.html)

# San Francisco Chronicle

## MF Global, A&P, Dodgers, Seahawk, Syms, NewPage: Bankruptcy

Thursday, December 15, 2011  
Bill Rochelle, ©2011 Bloomberg News

### Syms Committee Wants to Go Slow on Examiner Selection

Discount retailer Syms Corp. and the creditors' committee are on opposite sides from positions taken in most bankruptcies on the question of appointing an examiner.

In the Chapter 11 case of subsidiaries of power producer Dynegy Inc., for instance, the company is opposing appointment of an examiner at a hearing this week. Syms, by contrast, is asking the bankruptcy judge in Delaware to appoint an examiner, and to make the appointment quickly.

In the motion for an examiner filed yesterday, Syms wants an investigation into whether management was guilty of any breach of fiduciary duty or mismanagement, as alleged by a member of the official shareholders' committee. Syms wants the investigation to cover the period beginning in June 2009 with the acquisition of subsidiary Filene's Basement.

The creditors' committee sees no reason for moving quickly and filed papers requesting that the judge not consider appointing an examiner at a Dec. 28 hearing. The committee says it hasn't decided yet whether an examiner is needed. In most cases, it's the creditors' committee urging appointment of an examiner.

Syms wants an examiner to clear the air so it can move ahead quickly with completion of a Chapter 11 plan.

Syms stock closed yesterday at \$12.25, down 40 cents in over-the-counter trading. The day of bankruptcy, the stock rose to \$9.72, a 27 percent increase from the prior day's closing price. The stock slumped to \$7.90 on Nov. 14 and has risen until it reached a peak of \$12.65 on Dec. 12.

Syms, based in Secaucus, New Jersey, began going-out-of-business sales at all stores in mid-November. The sales are to be completed by the end of December. The 15 stores that Syms owns will be sold after the GOB sales.



Syms purchased Filene's through a bankruptcy auction in June 2009 in Filene's second venture through Chapter 11. At the outset of Chapter 11, there were 25 Syms stores and 21 Filene's locations.

Assets were listed for \$236 million, including real estate on the books for \$97.7 million. Liabilities were listed at \$94 million, including \$31.1 million owing on a revolving credit with Bank of America NA as agent. In addition, there were \$11.1 million in letters of credit outstanding on the revolver.

The case is In re Filene's Basement LLC, 11-13511, U.S. Bankruptcy Court, District of Delaware (Wilmington).

[http://www.sfgate.com/cgi-bin/article.cgi?f=/g/a/2011/12/14/bloomberg\\_articlesLW749D6VDKHT.DTL](http://www.sfgate.com/cgi-bin/article.cgi?f=/g/a/2011/12/14/bloomberg_articlesLW749D6VDKHT.DTL)

## **Syms Seeks Probe Of Possible Mismanagement By Its Leaders**

Thursday, December 15, 2011

By Rachel Feintzeig

Liquidating retailer Syms Corp. wants an independent official to investigate possible mismanagement by its directors and officers in the wake of Syms's purchase of Filene's Basement LLC out of bankruptcy in 2009.

Spurred by allegations made by the chair of the committee representing shareholders in the case, Syms is pushing for the appointment of an examiner charged with probing "possible estate causes of action against [the company's] directors and officers, and others." The examiner would be on the lookout for "breach of fiduciary duty, mismanagement, waste and any similar claims arising out of the directors' and officers' stewardship of the debtors," Syms said in papers filed Tuesday with the U.S. Bankruptcy Court in Wilmington, Del.

<https://www.fis.dowjones.com/WebBlogs.aspx?aid=DJFDBS0020111214e7cejgqoa%20&ProductIDFromApplication=&r=wsjblog&s=djfdb>



## WSJ Blogs

### BANKRUPTCY BEAT

# The Daily Docket: Thornburg Trustee Renews \$1.9 Billion Attack on Banks

December 15, 2011, 9:33 AM ET

By Patrick Fitzgerald

The trustee of defunct mortgage lender Thornburg Mortgage Inc. is renewing his attack against some of the biggest players on Wall Street's mortgage-finance assembly line—including affiliates of J.P. Morgan Chase & Co., Citigroup Inc. and Credit Suisse Group AG—accusing them of scheming to strip Thornburg's assets until it collapsed into bankruptcy. Read the Daily Bankruptcy Review story [here](#).

**Liquidating retailer Syms Corp. wants an independent official to investigate possible mismanagement by its directors and officers in the wake of Syms's purchase of Filene's Basement LLC out of bankruptcy in 2009. Read the Daily Bankruptcy Review Small Cap story [here](#).**

The House Financial Services Committee on Thursday is set to hold the third congressional hearing into the Oct. 31 collapse of MF Global Holdings Ltd., with the focus expected to be largely on regulators' coordination of information-sharing on potential problems at the company, The Wall Street Journal reports.

Detroit didn't have any trouble selling \$484 million in water and sewer debt in the municipal-bond market on Wednesday, but the deal came at a price, given the city's fiscal woes, WSJ reports.

Saab Automobile and its current administrator, Guy Lofalk, have applied to have a new administrator oversee the restructuring of the troubled Swedish car maker, after Lofalk last week moved to abandon the reorganization attempts, Dow Jones Newswires reports.

Regulators now have a more complete picture of money transfers in the final days of bankrupt brokerage MF Global, but must sort out which transactions were legitimate before more money can be released to customers, reports Reuters.

Before his \$1.2 billion Ponzi scheme collapsed, Scott Rothstein crowed repeatedly to an alleged wealthy accomplice about the fraud's huge success, calling himself "banker and pimp" and bragging that he operated the "International Bank of WOW!," the Associated Press reports.

Miami's New Times looks at the confusion around former Chicago Bull Scottie Pippen's lawsuit against several news outlets and websites which he says have incorrectly reported that he filed for bankruptcy.

[http://blogs.wsj.com/bankruptcy/2011/12/15/the-daily-docket-thornburg-trustee-renews-1-9-billion-attack-on-banks/?mod=google\\_news\\_blog](http://blogs.wsj.com/bankruptcy/2011/12/15/the-daily-docket-thornburg-trustee-renews-1-9-billion-attack-on-banks/?mod=google_news_blog)





December 14, 2011

## Syms, Filene's File for Examiner Request

**SYMS/FILENE'S BASEMENT EXAMINER REQUEST:** The Syms Corp./Filene's Basement estate is requesting from a Delaware bankruptcy court the appointment of an examiner to investigate possible claims against the bankrupt company's directors and officers for "breach of fiduciary duty, mismanagement, waste and any similar claims," according to court documents. The document also said the investigation should cover the time period from June 2009, when Syms acquired the assets of subsidiary Filene's Basement, to the date it filed its voluntary petition on Nov. 2. Court papers also said it filed its motion due to state court litigation alleging prepetition mismanagement of Syms. That litigation is in a New Jersey state court and was filed by Esopus Creek, an equity shareholder. A hearing on the request is scheduled for later this month.

<http://www.wwd.com/fashion-news/fashion-scoops/syms-filenes-file-for-examiner-request-5431004?src=rss/fashion/20111214>

***Deals Galore: UWS Syms/Filene's Liquidation Sale Discounts Now At 40% - 60% Off***

Wednesday, December 14th, 2011



Well that didn't take long...

It was just the other day that Syms & Filene's Basement raised their liquidation sale discounts to 30% - 50%.

As of yesterday, they're now up offering 40% - 60% off. At this rate, things might actually be free by next week.

I feel like once you get past that "50% off" threshold, things start to get interesting. It may very well have been my imagination, but when I walked by yesterday after the new signage was up, the store certainly *seemed* busier.

Syms & Filene's were known for discounts even before their liquidation started — at this point, there are some downright steals available if you're willing to fight the crowds.



This discount increase is just the latest in a string that began last month. They started at 10% - 30% off, bumped to it 20% - 40% off, and then 25% - 40% before the flurry of increases over the past few days.

As a reminder, the liquidation sale is expected to continue through January. However, with discounts becoming steeper by the week, it's probably going to be slim pickings if you wait much longer.

<http://myupperwest.com/upper-west-side/deals-galore-uws-symsfilene%E2%80%99s-liquidation-sale-discounts-now-at-40-60-off/>

## Boughton Reports Danbury in Good Shape

*In the state of the city speech, Danbury Mayor Mark Boughton said the city's firms are strong and expanding, the city's unemployment rate is low and the city will improve its middle schools. Boughton named Bruce Tuomala Danbury Economic Development Director*

By Mark Langlois

December 16, 2011

Danbury is doing well, said Danbury Mayor Mark Boughton, speaking to about 250 business leaders at the annual state of the city address before the [Greater Danbury Chamber of Commerce](#).

He ticked off a number of expanding businesses, including Danbury Hospital, Western Connecticut State University, Goodyear, Pitney Bowes, Boehringer Ingelheim Pharmaceuticals and DRS. **He observed the space vacated at the Danbury Fair Mall by Filene's is all leased by The Cheesecake Factory, Brio, Dick's Sporting Goods and in April, L.L. Bean.** He said the Shops at Marcus Dairy, across Kenosia Avenue from the Mall will be anchored by Whole Foods.

Boughton said the overcrowding problem in Danbury's schools will be addressed in April with bond referendum to create two new middle schools. The details of this plan have not yet been decided. The city's 2020 Task Force, which is supposed to be dealing with the school overcrowding issue, has not yet finished its report.

As part of his state of the city report, Boughton announced the city's new Economic Development Director. Bruce Tuomala, of Brookfield, was named the new director. Boughton said his job will be to work on attracting businesses to Danbury, as well as working with the Danbury Main Street Partnership to attract businesses to the Main Street area.

<http://danbury.patch.com/articles/boughton-reports-danbury-in-good-shape>



## Memories Of The Original Filene's Basement, Rats And All

By Sacha Pfeiffer  
Dec 16, 2011, 6:11 PM

[Listen Now](#)

BOSTON — This holiday season is the final one to pick up bargains at Filene's Basement. The chain's owner has declared bankruptcy and expects to liquidate all its remaining stores by the end of next month.

That will bring down the curtain on a singular retail institution that got its start in Boston in 1909. But for many people, including long-time employee Tracy Ruiz, the brand faded into the history books when the original Filene's Basement closed in 2007.



Long time Filene's Basement employees Lori Frongillo (right) and Tracy Ruiz (left) at the Back Bay store during its "Going Out of Business" sale. (Sacha Pfeiffer/WBUR)

"You didn't experience the Basement unless you were in the downtown store," says Ruiz, who now works at the store in the Back Bay but spent most of her 25-year career at the *basement* Basement — the underground one in Downtown Crossing. "These other outlets, these stores here, they're not the true Filene's Basement."

There was no other retail experience like it. The bins heaped with piles of clothes. The shoppers in such a frenzy that they ignored the dressing room and stripped right in the aisles.

"No one used a fitting room. You saw everything," said Lori Frongillo, who has worked for Filene's Basement for 17 years and, like Ruiz, transferred to the Boylston Street store when the Downtown Crossing location closed.



“They did not care. It was the thing to do. They’re not gonna wait in that line,” Frongillo said. “They’re gonna see it — they’re putting it on. They don’t care. They’re in the Basement. That was their whole thing.”

The Filene’s Basement on Washington Street had such a devoted following that some people who worked downtown went there every single lunch hour.

“Absolutely — every day,” Frongillo recalls. “We’d be like, ‘Why don’t you work here? You’re here as much as I am!’ Every day and every night at 5 after they got off work because they’d be watching that one item, waiting for it to go down again.”

She’s referring to the automatic markdown policy, which made shopping there a game of strategy. Anything that hadn’t sold after two weeks dropped in price by 25%, after three weeks by 50% and after four weeks by 75%. After that, it went to charity. So shoppers held off buying certain things in hopes that the price would drop.

Then, if they came back and couldn’t find it, “they’d be horrified when it was gone,” Frongillo says, recalling that many customers tried to hide merchandise to prevent other shoppers from finding and buying it.

Other customers wanted their items immediately. They’d actually fight over them.

“The ultimate bargain dress event probably had to be the most vicious, when every dress, we’d get thousands of them for \$16.99,” Frongillo says. “And they would just grab. They’d grab them out of your arms. ‘I had it!’ ‘No, I had it!’ ”

Shoppers sometimes lost articles of clothing they’d been wearing, or lost shoes, because they’d be swiped or misplaced in the scrum of a particularly energetic shopping moment.

Ruiz and Frongillo remember how Basement shoppers got high off the joy of retail victories.

“I think it was just the thrill of knowing that you’re going to get, you know, a Ralph Lauren shirt for 10 bucks,” says Frongillo.

Adds Ruiz: “We were selling it for \$20; you wait a couple of weeks and it goes down by 50 percent it’s just being able to say, ‘I only paid \$10 for this.’ ”

Asked to name the best buy she ever got, Frongillo had this reply: “It cost you a fortune to work there, put it that way, because you’d be buying things just because it was unbelievable. It was like, oh my God — this went to fifty off? I have to have this [even if] I don’t need it!”

## **Rats And All**

There were, however, some unique downsides to working at the original Filene’s Basement.



“We had a ‘Code 51’ and if you heard that [it meant] there was water rushing in somewhere or the ceiling gave way,” Frongillo recalls.

There were also rats. And roaches. And occasional broken pipes.

“It was an old, old building,” Frongillo explains. “They took a wall down once and behind the wall were all dead critters. It was nasty.”

“There’s been times where and this happened more than once that a rat has given birth on our tables,” Ruiz adds. “And somebody would tell us and we’d be like, ‘Oh my God!’ ”

“Go home and wash your stuff first!” Frongillo adds.

But soon, no more. The 20 or so stores left in the region are now clearing out their merchandise for good for as much as 80 percent off — although many shoppers said their final goodbyes when the basement Basement closed its doors four years ago.

<http://www.wbur.org/2011/12/16/filenes-basement-4>

# THE **TRIBECA TRIB**

COVERING LOWER MANHATTAN

## **Vacated Syms Building Viewed at Possible New School Option**

DECEMBER 16, 2011

BY CARL GLASSMAN

From “educated consumers” to educating kids?

If some members of Community Board 1 have their way, the building now housing the Syms clothing store on lower Trinity Place will one day help solve school overcrowding in Lower Manhattan.

The Syms Corp. declared bankruptcy last month and its chain of retail outlets, including the hulking flagship store at 42 Trinity Place, are expected to close next month. Paul Hovitz and Tricia Joyce, members of CB1’s Youth and Education Committee believe the vacant 60,000 square foot building—or some portion of it—may help ease what they and other Downtown school advocates see as a coming crisis.

“It is in an ideal location for where the need is,” Joyce told the Trib, “and we think it could make a great school. Definitely a middle school at the very least.” Joyce and Hovitz first raised the possibility last week in a meeting with Elizabeth Rose, the Department of Education official in charge of planning for Manhattan and District 2 Superintendent Mariano Guzman.

Could it happen? There are many more questions than answers—both budgetary and practical. ———  
———A DOE spokesman reiterated the department’s position that there is no money in the city’s capital plan for providing another school building in Lower Manhattan. And it is unclear whether the six-story building, now almost windowless, could be reconfigured to meet the city’s structural guidelines for a school building. In addition, Syms has not divulged plans for its real estate holdings, which are extensive. Calls to Syms and an email to the corporation’s CEO, Marcy Sims, went unanswered.

But the spectre of some 60,000 square feet of empty space downtown is certain to be raised again with the DOE as pressure builds to find additional school seats in Lower Manhattan.





Some parents of preschool-age children are eyeing classrooms at the Spruce Street School, which will not be occupied by middle schoolers until 2015. They view those seats as better serving elementary students—potentially allowing three or four classes per grade, DoE officials have steadfastly maintained that the school will remain a kindergarten through 8th grade. But another middle school Downtown might make the idea more palatable, said Hovitz, though he said he understands that Spruce Street parents would not want to lose the middle school.

"Not everyone can be happy in this situation but if we can get something that enables the majority of Downtowners to benefit then I think we will have achieved something," he said.

Hovitz said the Syms building, which city tax records show has a market value of almost \$10 million, could also as an annex of Millennium High School or a new site for I.S. 289, providing more elementary seats at P.S. 89. "And it's ideally located because it's away from a lot of residents," he said.

I think the DOE is doing what they've done before where they aren't calling it a problem until it is a problems. Our community must be vigilant once more in finding locations for a school. And if it comes down to us dealing with developers on our own and then pitching it to the DOE, that's what we're prepared to do."

[http://www.tribecatrib.com/news/2011/december/1174\\_syms-middle-school-clothiers-vacated-building-viewed-as-possible-school-site.html](http://www.tribecatrib.com/news/2011/december/1174_syms-middle-school-clothiers-vacated-building-viewed-as-possible-school-site.html)

# The Record

THE TRUSTED LOCAL SOURCE

## Zynga to begin trading on Nasdaq after \$10 IPO

FRIDAY, DECEMBER 16, 2011

**SECAUCUS** — The creditors' committee for discount retailer Syms Corp. convinced the bankruptcy judge at a hearing Wednesday that there's no rush to appoint an examiner before the year's end.

Syms itself sought an examiner to defuse allegations by the official equity committee that management has been guilty of misdeeds since the acquisition of subsidiary Filene's Basement LLC in June 2009. The bankruptcy judge scheduled a Feb. 8 hearing to decide if there should be an examiner.

— Bloomberg News

[http://www.northjersey.com/news/business/135782203\\_Zynga\\_to\\_begin\\_trading\\_on\\_Nasdaq\\_after\\_10\\_IPO.html](http://www.northjersey.com/news/business/135782203_Zynga_to_begin_trading_on_Nasdaq_after_10_IPO.html)



# FINANCIAL TIMES

December 18, 2011 9:35 pm

## US: Too many shops, too few shoppers

By Barney Jopson

Bloated is an apt description of bricks-and-mortar retail in the US. Or perhaps “over-stored, over-stuffed”, as Robin Lewis and Michael Dart put it in their book, *The New Rules of Retail*.

These notions of excess apply to the shops, but not the shoppers – and that is why the sector needs to contract and consolidate.

In the past three years, two big changes have reduced the number of shoppers in US stores.

First, the financial crisis and global downturn ushered in an era of economic hardship and prudence for many, which shows no sign of ending.

Second, online shopping has continued to grow, with internet-only retailers and traditional rivals offering an ever wider assortment of goods online.

The marketing is sophisticated and policies on deliveries and returns are cheap and easy for customers.

So – with the exception of luxury retailers – store traffic is down.

To put the excess in a wider context, Mr Lewis and Mr Dart say the US has more than 22 sq ft of retail space for every person in the country. The second highest figure is Sweden, with 3 sq ft per capita.

Something has to give.

“That will be the story of retail over the next 10 years,” says Joel Bines, a retail specialist at AlixPartners, a consultancy. “What do we do with all those brick and mortar assets when we don’t have the same foot traffic?”

The process of shedding space began this year at Gap, a chain of clothes shops whose prolonged sales slump came because it opened too many stores at the time it was losing some of its edge in fashion and marketing.

In October, after at least five years of trying to reverse the fall, it said it would cut the number of its US stores from 889 to 700 by 2013.

A more brutal way space has been reduced is through bankruptcies.

In 2009, Circuit City, the electronics retailer, went into liquidation and this year it was the turn of Borders, the book chain.

In both cases, the downturn sealed a demise hastened by an inability to adjust to the internet age.

**Last month, Syms, a discount clothing retailer, and its unit Filene's Basement also joined the bankruptcy heap.**

The real estate of some bankrupt companies has or will be taken over by other retailers, but the rest will be turned into cafés, cinemas, gyms – or simply be left looking sad and vacant.

In *The New Rules of Retail*, the authors say that half the retailers and brands that exist today will be extinguished by natural selection, but they do not give a time frame.

In an interview, Mr Lewis identifies three factors that will work against any speedy reduction in excess retail space.

One is that opening a store creates instant revenue, which matters greatly in a business where most executives still define success as sales growth and will pursue it even at the expense of profits.

Second, Mr Lewis says that real estate brokers are always pushing retailers into too-good-to-miss deals for new leases.

Third, plenty of retailers have brands that are seen as “iconic”, even if they fall into financial trouble.

They tend to be a magnet for private equity groups that would much prefer to salvage a brand than an engineering company that no one has heard of.

<http://www.ft.com/intl/cms/s/0/81235a9a-24e1-11e1-8bf9-00144feabdc0.html#axzz1qzs7n5YV>



# ChevyChasePatch

## Days Dwindle Down at Filene's Basement, Prices Slashed up to 60 Percent

Bargain-hunting shoppers pack Filene's Basement in Friendship Heights, as the store prepares to close for good in just a few short weeks.

By [Marty Chase](#)

December 20, 2011

As the days dwindle down toward the end of the year, the discounts are getting considerably steeper at [Filene's Basement](#) in Friendship Heights.

And, bargain-hunting shoppers are packing the [Mazza Gallerie](#) store, which likely will close down completely sometime in early January in the aftermath of Filene's Basement's bankruptcy filing last month.

The store at 5300 Wisconsin Avenue NW was packed last Sunday afternoon as shoppers sought to take advantage of prices slashed by as much as 60 percent. Around 3 p.m., more than 20 people were waiting in a long line to check out at the cash registers at the front of the store.

Many items at the store carried 60-percent-off discounts. The prices of all home items, housewares and the like were discounted by 50 percent, while the prices of all men's suits were 40-percent off. Handbags are now discounted by 40 percent.

Interestingly, even though the sale has been running for more than a month, there's still plenty of merchandise available in the store. Syms Corp., Filene's Basement's corporate parent, is bringing in a wide selection of designer apparel and other high-quality items to fill the shelves, restocking quickly as goods are sold.

That's because this bankruptcy is of the 'augmentation' variety, not an outright liquidation, [as Patch previously reported](#).

A sign at the entrance to the basement portion of the store now specifically spells this out:

"Additional non-Filene's Basement merchandise, of like kind and quality, has been added to the sale and is indicated by a green highlight on the ticket," the sign states.

There's been a variety of speculation about when the Friendship Heights store might close for good. Some reports suggest that it could come by the end of this month—earlier than expected.

However, store employees said they still thought it would close early in January, possibly at the end of the first week of the new year.

<http://chevy Chase.patch.com/articles/days-dwindle-down-at-filene-s-basement-prices-slashed-up-to-60-percent>



## Menino's Suffolk Downs Problem

### Would he really hold up the casino project until Vornado takes care of its mess at Filene's?

BY Jason Schwartz POSTED ON 12/21/2011

*Globe* columnist Brian McGrory took up one of our favorite topics here at Boston Daily today (ok, one of my favorite topics), [writing about](#) the uncomfortable relationship between Suffolk Downs, Vornado Realty Trust, and Mayor Tom Menino. It works like this: Vornado is the giant real estate firm from New York responsible for that equally giant hole in the ground at the Filene's site in Downtown Crossing (Vornado was supposed to build a huge mixed use luxury building there, but plans fell through with the economy). Considering that 2012 will be the fifth year of that unsightly pit's existence, Menino hates Vornado very much. He's said as much out loud several times.

On the flip side, the mayor has long had a cozy relationship with Suffolk Downs. For years he's been advocating for at least slots and then a full resort casino at the East Boston track and is tight with one of its owners, Joe O'Donnell. Where things get sticky is that Vornado also owns a 20 percent stake in Suffolk Downs. You can bet there's little that would make the mayor angrier than Vornado pulling in casino money hand over fist while still doing nothing about the disaster in Downtown Crossing. As I wrote in a recent [profile of the company and its notoriously hard-driving chairman, Steven Roth](#), Vornado is known for holding out for the perfect deal. They aren't going to do anything with Downtown Crossing until what they consider the exact right moment, no matter how much everybody here in Boston hates the state of Downtown Crossing.

That presents a problem for Menino. In the event that the state gaming commission awards a casino license to Suffolk Downs, would the mayor really hold up the casino project until Vornado takes care of its mess at Filene's? McGrory seems to think so. He wrote, "If you don't see cranes in Downtown Crossing in the coming months, you won't likely ever see cards turning at Suffolk Downs."

It may be the case that Menino is telling that to people behind closed doors in hopes of motivating Vornado, but when push comes to shove, I have a hard time believing that it's anything more than posturing. Would the mayor really turn away



thousands of jobs and delay a project he's been practically begging for all out of spite? Of course, Hizzona is notorious for nursing a grudge, but, again, the jobs. As the [Herald reported yesterday](#) (complete with enthusiastic quotes from Menino), the people at Suffolk Downs say their project would create 2,250 of them.

All along, the problem with Vornado is that they hold all the cards (pun intended). They own the land in Downtown Crossing and have a balance sheet so deep — with \$20.5 billion in assets — that it's no skin off their back to let the site sit there, looking like something out of post-blitz London. It's frustrating, but there's not much the mayor can do about it. By the same token, Menino can rant as much as he wants about Vornado's involvement in Suffolk Downs, but in the end, he can't force them out of the ownership group. And there's no second option for him: it's either a casino at Suffolk Downs or none in Boston at all. Would Menino really forgo thousands of jobs out of pure spite? Maybe, but in this awful economy — the same awful economy that caused work to stop on the Filene's project in the first place — I have a hard time believing it.

[http://blogs.bostonmagazine.com/boston\\_daily/2011/12/21/meninos-suffolk-downs-problem/](http://blogs.bostonmagazine.com/boston_daily/2011/12/21/meninos-suffolk-downs-problem/)



# The Boston Globe

## Gambling on Mayor Menino's ire

By Brian McGrory

DECEMBER 21, 2011

In the fair light of the camera, Tom Menino couldn't look any more enthusiastic about the prospect of a resort casino at Suffolk Downs. "We are the capital city," he said on the afternoon that the grumpy old men of Foxborough were rolling out their proposal, adding on a different day, "It's a natural."

But behind all his public displays of affection with the owners of the horse track, Menino is anything but pleased. Actually, in private, he's had harsh words.

At issue is the Vornado Realty Trust, the New York-based real estate investment group that gave the good people of Boston that nice dirt hole in middle of Downtown Crossing where the stately **Filene's** used to be. You'll recall that Vornado kicked out the tenants, knocked down most of the building, dug a hole, then abruptly stopped. Besides that, the project has been exactly what the area needed.

Throughout the downtown debacle, Vornado was buying up shares in Suffolk Downs, giving it a 20 percent stake in all, with Boston businessman Joe O'Donnell and rancher and casino developer Richard Fields the other major owners. The track itself is a money pit, but its owners have a good chance of landing the Eastern Massachusetts casino license. If that happens, the same company that left a hole in Downtown Crossing will be hauling money out of Boston by the truckload.

All of which has left Menino somewhere between frustrated and furious. I'd urge readers to sit for a moment because what I'm about to say may come as a shock: Our mayor tends to hold an occasional grudge. Actually, "hold" isn't quite accurate. He hugs his grudges, nourishes them with warm goat's milk, and gives them little pet names. And nobody has earned Menino's wrath, rightfully so, more than Vornado chairman Steven Roth.

"You can't make a fool out of the city with a big hole downtown," Menino said yesterday. "I can't allow that to happen."

"They're not listening to me," he's privately told others, referring to the Suffolk Downs owner and his demand that Vornado address its hole downtown. He's hinted that O'Donnell, his old friend, has been more talk than action in resolving the Vornado problem. The city's development officials have basically told Suffolk Downs owners: No building at **Filene's**, no casino.



And while it is the state that issues casino licenses, it is the city that signs off on variances and permits.

Which brings us to the news part of this column. Vornado's not about to sell its Suffolk Downs share, not now. Instead, it publicly marketed the **Filene's** site, but all reported offers were for less than \$50 million - far shy of the \$200 million that Vornado and its partners spent buying and preparing the land.

This fall, though, Vornado quietly received a \$90 million offer from a pair of reputable developers who want to build a massive retail/office/apartment complex, according to two industry executives. The two sides negotiated a price slightly higher. And then the deal fell apart, according to the executives, over the timing of when Vornado could cash the security deposit. It couldn't have been more absurd.

The question of the day: Does Vornado even want to sell the land?

More recently, Vornado has approached the city with word they are in "serious discussions" with "a credible company" to build an even larger residential and retail complex on the property than the 39 floors initially proposed, according to an industry official with knowledge.

But is it a stall tactic to buy time with the casino bid? Vornado doesn't exactly have a reservoir of credibility with our weary and wary mayor.

Just for laughs, I left a message for Roth, the Vornado chairman. Suffice it to say he didn't ruin a good manicure by rushing to call me back.

But time will tell. If you don't see cranes in Downtown Crossing in the coming months, you won't likely ever see cards turning at Suffolk Downs.

<http://www.bostonglobe.com/metro/2011/12/21/boston-mayor-menino-suffolk-downs-and-big-filene-hole-downtown/khbhc1KTOMHFQvme4bzRdK/story.html>





## Downtown Crossing's Filene's Site, East Boston Casino: Tied?

Wednesday, December 21, 2011, by Tom Acitelli

3



[Jeremy C. Fox via The Globe]

The **Menino administration** has tied a casino at **Suffolk Downs** in **East Boston** to development at the old **Filene's site** in **Downtown Crossing**. That's according to a [corker of a column](#) this morning by *The Globe's* Brian McGrory.

You know the backstory on the most watched development site in Boston: New Jersey-based **Vornado Realty Trust**, which owns much of the area around New York's Penn Station as well as a slew of property nationwide, bought the old Filene's building, kicked out the tenants, knocked the building down and then left the site vacant starting in 2008, always intending to build a tower of apartments and retail but never quite getting around to it. In early 2010, Vornado chairman **Steve Roth** [boasted during a speech at](#)



Columbia University that he made it an unofficial policy to let development sites lay fallow long enough to lure public incentives. **Mayor Menino** blasted him in an open letter, calling it a "cynical ploy" that was "inexcusable."

Well, guess what Hizzoner's saying now >>

According to McGrory's column, the mayor any casino permit at the Suffolk Downs racetrack, of which Vornado owns 20 percent, to development at the Filene's site, whether by Roth's firm or another builder.

"You can't make a fool out of the city with a big hole downtown," Menino said yesterday.

"I can't allow that to happen."

"They're not listening to me," he's privately told others, referring to the Suffolk Downs owner and his demand that Vornado address its hole downtown. He's hinted that O'Donnell, his old friend, has been more talk than action in resolving the Vornado problem. The city's development officials have basically told Suffolk Downs owners: **No building at Filene's, no casino.**

And while it is the state that issues casino licenses, it is the city that signs off on variances and permits.

Where, then, does this leave the possibility of a fresh Downtown Crossing tower to join all the others? Vornado had been negotiating earlier this year with a pair of developers intent on taking over the site, but the deal fell through over a security deposit (hate it when that happens). Recently, Vornado has quietly approached the city with, according to McGrory, plans through "a credible company" to build an apartment-and-retail tower taller than the 39 stories once bandied about. Stay tuned.

<http://boston.curbed.com/archives/2011/12/downtown-crossings-filenes-site-east-boston-casino-connected.php>



# LocalizedUSA

Your Source for Local, State and National News

## DSW (DSW) Shares Given New \$46.00 Price Target by Citigroup (C) Analysts

Posted by [LUSA Staff](#) on Dec 22nd, 2011

Equities research analysts at Citigroup (NYSE: C) lowered their price target on [shares](#) of **DSW (NYSE: DSW)** to \$46.00 in a [research](#) issued note to investors on Thursday. They currently have a “neutral” rating on the company’s shares.

Separately, analysts at [Zacks Investment Research](#) downgraded shares of DSW from an “outperform” rating to a “neutral” rating in a research note to [investors](#) on Wednesday, November 23rd. Analysts at Auriga reiterated a “buy” rating on shares of DSW in a research note to investors on Monday, November 21st. They now have a \$55.00 price target on the stock.

DSW Inc. (DSW) is a branded footwear specialty retailer. As of January 30, 2010, the Company operated 305 shoe stores in 39 states in the United States. The Company offers an assortment of dress, casual and athletic footwear for women and men, as well as accessories through DSW stores and dsw.com. In addition, it operated 356 leased departments for four other retailers as of January 30, 2010. Its DSW stores average approximately 22,000 square feet and carry approximately 24,000 pairs of shoes. The Company also operates leased departments for four retailers. DSW has renewable supply agreements to merchandise the shoe departments in Stein Mart, Inc., Gordman’s, Inc., Filene’s Basement and Frugal Fannie’s Fashion Warehouse stores. DSW owns the merchandise and the fixtures (except for Filene’s Basement, where it only owns the merchandise), record sales of merchandise net of returns and sales tax and provide management oversight.

Shares of DSW opened at 44.08 on Thursday. DSW has a 52 week low of \$32.76 and a 52 week high of \$55.90. The stock’s 50-day moving average is \$46.94 and its 200-day moving average is \$48.28. The company has a market cap of \$1.905 billion and a price-to-earnings ratio of 10.10.

Stay on top of analysts' coverage with our [daily email newsletter](#) that provides a concise list of analysts' upgrades, analysts' downgrades and analysts' [price](#) target changes for each day. [Click here to register.](#)

<http://localizedusa.com/2011/12/22/dsw-dsw-shares-given-new-46-00-price-target-by-citigroup-c-analysts/>



# The Boston Globe

## What's next for Rue La La, fast-growing 'flash sale' specialist based in Boston?

December 22, 2011

By Scott Kirsner

2011 was an interesting year for two Boston retailers.

One Filene's Basement, [announced that it would close](#) after 102 years in business.

And another, [Rue La La](#), founded in 2008, was [acquired into](#) and then spun back out of eBay. Like the Basement, Rue La La's business is built on buying surplus high-end goods and selling them at a discount. But rather than owning brick-and-mortar stores, Rue connects with customers through its Web site, a daily e-mail, and apps that run on mobile devices. Most merchandise that appears on Rue is only available for two days, hence Rue is often described as a "flash sale" site.

Since the spin-out from eBay, Rue has been part of a newly-formed Pennsylvania holding company called [Kynetic](#), though it is still run by Rue founder Ben Fischman. (eBay retained a 30 percent stake, and put \$70 million in cash on Kynetic's balance sheet.) Rue has 400 employees. I caught up with Fischman last week to talk about what's next for the company, and the depressing end of the road for Filene's Basement.

**On the Basement:** "What was most unique about Filene's Basement was the brand that it built in Boston. There was so much emotion and passion, and they sourced merchandise so well for that Boston store. I just think they couldn't carry that to other markets. In Boston, they were an icon, but it just didn't matter in New York as much, or Chicago, or the west coast. I think their biggest mistake was making bad real estate decisions." Could someone acquire the Basement brand and revive it? Fischman says that former Filene's Basement CEO [Sam Gerson](#) — who died in 2003 — "isn't coming back, and I think it'd be tough sailing for anyone else."

**On what works in brick-and-mortar retail today:** "I was just in Chris Birch's new store, [C Wonder](#), in New York. It's an incredible retail experience, with lots of proprietary product. That is the future of retail. It's people who develop their own shopping experience



with their own unique product that can't just be copied by Wal-Mart and Amazon. It's great retail theater. Newbury Comics here in Boston is a great example of a cultural experience that is so rich and good, as is Brookline Booksmith. But I think Barnes & Noble goes away. Wegman's wins. Try walking into a [Wegman's](#), and then walk into a Shaw's."

**On phones and tablets:** "Over 30 percent of our sales are being done through a mobile device, and more than half of that is being done through an iPad. By having this device tethered to your body, it creates a level of engagement that is driving incremental sales."

**On offering free shipping during the holiday period:** "What we're doing instead of offering blanket free shipping to everyone is a new approach to free shipping. When you make a purchase, and pay your \$9.95 shipping, for the next 30 days you can buy anything on the site and get free shipping for that next purchase. It's driving tremendous incremental sales."

**On the future for Rue La La and Kynetic:** "When we were spun out, it was kind of a 'died and gone to heaven' scenario. We became a private company, with no institutional or venture investors or private equity. The company is owned by Michael Rubin [chairman of Kynetic], me, and the management team. I love the flexibility that we have. We can do with the business what we believe is most important. Public markets could be an interesting place for us in the not-too-distant future. And we think consolidation is really interesting. This is a hard business, with a low barrier to entry but a high barrier to success. We look forward to playing a role as a consolidator."

(Last fall, I wrote about Rue La La in the [Globe](#), and also on this [blog](#). An audio interview with Fischman, conducted in June 2010 by venture capitalist Lee Hower, is [here](#).)

[http://www.boston.com/business/technology/innoeco/2011/12/whats\\_next\\_for\\_rue\\_la\\_la\\_fast.html](http://www.boston.com/business/technology/innoeco/2011/12/whats_next_for_rue_la_la_fast.html)

## **Syms, Filene's cancels auction for store leases**

Date: Friday, December 23, 2011, 1:38pm EST



Thomas Grillo

Bankrupt retailer [Syms Corp.](#) and its subsidiary Filene's Basement LLC have canceled their scheduled auction today, according to Bloomberg News.

A hearing is scheduled in U.S. Bankruptcy Court in Delaware on Dec. 28 for a judge to approve any lease sales. At the same hearing, the official shareholders' committee is expected to oppose a settlement agreement with the landlord at 530 Fifth Ave. in Manhattan, a property where Syms signed a lease last year intending to open a store.

If approved, Syms would pay \$2.6 million to the landlord as a lease-termination fee, together with \$700,000 to the real estate broker. The shareholder's committee contends Syms failed to make the case for settlement. The equity holders believe the lease should've been included in the now-canceled lease auction.

In court documents, the equity committee said the landlord is obliged to sell the building for more than \$400 million. The committee says it's "possible" the Syms lease is below market and thus could be sold. The committee also disputes Syms' argument that damages for breach of the lease could have been as much as \$8.4 million without the settlement.

Secaucus, N.J.-based Syms purchased Filene's through a bankruptcy auction in June 2009, in Filene's second venture through Chapter 11. At the start of Chapter 11, there were 25 Syms stores and 21 Filene's locations.

Assets were listed for \$236 million, including real estate on the books for \$97.7 million. Liabilities were listed at \$94 million, including \$31.1 million owing on a revolving credit line with [Bank of America NA](#) as agent. In addition, there were \$11.1 million in letters of credit outstanding.

[http://www.bizjournals.com/boston/real\\_estate/2011/12/syms-filenes-cancels-auction.html?ana=RSS&s=article\\_search&utm\\_source=feedburner&utm\\_medium=feed&utm\\_campaign=Feed%3A+bizj\\_boston+%28Boston+Business+Journal%29](http://www.bizjournals.com/boston/real_estate/2011/12/syms-filenes-cancels-auction.html?ana=RSS&s=article_search&utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+bizj_boston+%28Boston+Business+Journal%29)





Morning Coffee Dec 23 2011

## **Pepsi's Challenge, Kraft's Divide and AOL's Reorg Redux**

By Damian Ghigliotty

It was a year of goodbyes for dozens of media, retail and consumer goods executives and some companies as well.

In 2011, the biggest job news in those sectors was the growing catalogue of senior executive departures, which started with the announcement of RadioShack Chief Executive Julian Day's [departure](#) on Jan. 24 and ended with the announcement of New York Times Co. Chief Executive Janet Robinson's [departure](#) on Dec. 16.

**Sadly, 2011 also saw several big-name brands file for bankruptcy and shut their doors for good, including the book and music retail chain [Borders](#) and [Syms Corp.](#), owner of the department store chain Filene's Basement.**

Job seekers and everyday consumers might not remember all of those losses in the upcoming year, but they will remember the underlying causes -- a battered U.S. economy, emerging consumer markets in Asia and South America, and a growing wave of digital shifts across the globe.

In early December, FINS spoke with Brenda Malloy, managing director for Russell Reynolds' retail and apparel practice about the [rise of executive turnover](#) in the retail sector, which led to complete turnover at some companies (here's looking at you J.C. Penney.)

The New Year could carry a similar tune. Among the executives leaving their posts in January and February are Thomson Reuters Chief Executive [Tom Glocer](#), Costco Chief Executive [Jim Sengal](#) and Avon Chief Executive [Andrea Jung](#).

Hopefully, the rest of us can say hello to more job stability in 2012. Here are some big events in 2011 we won't forget:

<http://sales-jobs.fins.com/Articles/SBB0001424052970204464404577112672995736472/Pepsi-s-Challenge-Kraft-s-Divide-and-AOL-s-Reorg-Redux>



# Bloomberg Businessweek

December 23, 2011 2:39 PM

## Syms, Filene's Cancels Auction for Store Leases

Liquidating retailers Syms Corp. and subsidiary Filene's Basement LLC won't be holding an auction for store leases after all. The auction scheduled for today was canceled, according to a notice on the website maintained by the companies' claims agent.

All the Syms and Filene's stores are closing by the year's end. Going-out-of-business sales began at all stores in mid-November. The 15 stores that Syms owns will be sold after the GOB sales.

The bankruptcy court's Dec. 28 calendar includes a hearing where the bankruptcy judge would approve any lease sales. At the same hearing, the official shareholders' committee will oppose approval of a settlement agreement with the landlord at 530 Fifth Avenue in Manhattan, a property where Syms signed a lease last year intending to open a store.

If approved, Syms would pay \$2.6 million to the landlord as a lease-termination fee, together with \$700,000 to the real estate broker.

The equity committee contends Syms didn't make out a proper case for settlement. The equity holders believe the lease should have been included in the now-canceled lease auction.

The equity committee says in its papers that the landlord is under contract to sell the building for more than \$400 million. The committee says it's "possible" the Syms lease is below market and thus could be sold. The committee also takes issue with Syms' argument that damages for breach of the lease could have been as much as \$8.4 million without the settlement.

Annual rent on the store is \$3.1 million or more, according to a court filing by Syms. Secaucus, New Jersey-based Syms purchased Filene's through a bankruptcy auction in June 2009 in Filene's second venture through Chapter 11. At the outset of Chapter 11, there were 25 Syms stores and 21 Filene's locations.

Assets were listed for \$236 million, including real estate on the books for \$97.7 million. Liabilities were listed at \$94 million, including \$31.1 million owing on a revolving credit with Bank of America NA as agent. In addition, there were \$11.1 million in letters of credit outstanding on the revolver.

The case is In re Filene's Basement LLC, 11-13511, U.S. Bankruptcy Court, District of Delaware (Wilmington).

<http://news.businessweek.com/article.asp?documentKey=1376-LWMLKE0UQVI901-3BCUP2Q39ISGNRRDS2EUP6EB3A>



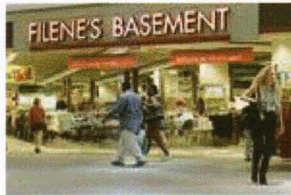
# Patriot Ledger

## Top 10 local business stories of 2011

Posted Dec 24, 2011 @ 12:00 PM

Casino lobbyists have been banging on doors for years at the State House, a once-fruitless exercise under previous House speakers who were adamantly opposed to expanded gambling. But the ascent of Rep. Robert DeLeo, whose district includes the Suffolk Downs racetrack, to the speaker's chair in 2009 meant that it would only be a matter of time before the Legislature would roll the dice on casinos. That time finally came last month, when Gov. Deval Patrick signed a bill that allows for the construction of three resort-style casinos and one slot machine parlor in the state. The new law calls for the creation of a state gambling commission that will decide who gets these coveted licenses.

### **#2. Final markdown at Filene's Basement**



The Great Recession technically was over a while ago, but it probably doesn't feel that way to the employees at Filene's Basement who are shepherding the legendary chain's going-out-of-business sales. Parent company Syms Corp. said it was closing the Syms and Filene's Basement chains because of the stiff competition and rough economy. But it's hard not to blame mismanagement at Syms, which bought Filene's Basement out of bankruptcy in 2009, for the Basement's failure. Of course, it didn't help matters that the flagship Filene's Basement location has been closed for years because of a stalled development in Downtown Crossing.

<http://www.enterpriseneews.com/breaking/x1569721174/Top-10-local-business-stories-of-2011>

# The Washington Post

## The 2011 year in review for Washington business

Published: December 25

This has been a year of starts and stops, a reflection of the economically volatile times we live in. For every new Wal-Mart coming to town, a Filene's or Borders is pulling up stakes. Fresh new developments and a convention center hotel are taking root around the region while the federal government calls a halt to its own real estate plans. A biotechnology company wins approval for a promising drug; a local beverage maker inks a deal with a corporate juggernaut. And yet a defense giant cuts jobs and a corporate titan decides it is time to step aside. Business is like that sometimes, choppy, neither straight up nor down, and the Washington area is rolling with the waves.

### RETAIL BANKRUPTCIES

#### Big-box store closings left major holes to fill

Big-box retailers took a few hits this year. The pain of long-slumping sales crippled Borders bookstore and Filene's Basement, which both filed for Chapter 11 bankruptcy protection.

All of Borders' stores in the area closed by the summer. Of the eight Borders sites to close as part of the bankruptcy, two have been leased to Morton's The Steakhouse and Big Lots. Many of the remaining sites have housed temporary tenants.

Meanwhile, Filene's four locations in the Washington area are set to go dark in January 2012, once all of the merchandise is liquidated. Syms Corp. bought the discount retailer out of bankruptcy in 2009, but could not revive the flagging chain.

— D.D..

[http://www.washingtonpost.com/business/capitalbusiness/the-2011-year-in-review-for-washington-business/2011/12/21/gIQANhVUHP\\_story.html](http://www.washingtonpost.com/business/capitalbusiness/the-2011-year-in-review-for-washington-business/2011/12/21/gIQANhVUHP_story.html)



# COURIER-POST

South Jersey's Newspaper | [courierpostonline.com](http://courierpostonline.com)

## South Jersey hit by job loss, business closings in 2011

11:48 PM, Dec. 26, 2011

Written by

**EILEEN SMITH AND EILEEN STILWELL**

The continually sputtering economy wreaked havoc on the business landscape of South Jersey in 2011. There was more unemployment, more businesses closing and less profits for casinos. But there was some good news sprinkled in.

**5. Down and out:** The lights went out at two familiar gathering places as Country Club Diner and Baker Lanes closed their doors. Regulars wiped away tears as they bid farewell to their favorite servers as the diner served its last bowl of snapper soup June 5.

"We are old and we have lived the American dream," said Harry Kokolis, the youngest of four brothers, aged 77-83, who owned the Voorhees landmark for 50 years. "It is time to say goodbye."

Baker Lanes, an iconic BYOB bowling alley in Cherry Hill, turned off its neon pink sign after 53 years. The end was announced by a flier posted on the door in September.

Refineries along the Delaware River took a hit, along with Campbell Soup Co. in Camden, Ocean Spray in Burlington City, Amcor Plastics in Delran, Syms discount store in Cherry Hill and a number of banks and supermarkets. Even the defense industry was not exempt, with both Lockheed Martin in Moorestown and L-3 in Camden downsizing staff.

<http://www.courierpostonline.com/article/20111227/BUSINESS/312270027/South-Jersey-hit-by-job-loss-business-closings-2011>



## Sluggish Mass. economy edges forward

By Greg Turner | Monday, December 26, 2011

Massachusetts' economy continued its agonizingly slow recovery in 2011, with the state managing modest job gains despite mass layoffs, such as with Evergreen Solar's meltdown, and businesses reluctant to hire amid so much uncertainty.

Fears of crushing federal deficits and a global recession roiled financial markets, but that didn't stop several Bay State companies from going public, riding the wave of investor interest in social media IPOs.

Housing remained stagnant statewide even as the Hub's commercial real estate sector surged with several long-delayed projects breaking ground.

The bankruptcy filings of Filene's Basement, Friendly's and Borders shook up the retail sector, but sales improved at stores as consumers felt better about spending during the vital holiday shopping season.

So it's hard to figure if the positive signs outweighed the setbacks in 2011. With that mix in mind, here are the Herald's top business stories over the past year:

### RETAIL SHAKE-UPS

The TJX Cos., the Framingham operator of T.J. Maxx, Marshalls and HomeGoods, may have been the only Bay State-based retailer to experience business as usual in 2011.

BJ's Wholesale Club departed its longtime Natick home for Westboro — and also left behind the public markets with a \$3 billion buyout by an L.A. private equity firm.

With the former Filene's site still an undeveloped hole in the ground in downtown Boston, Filene's Basement sank even lower with another bankruptcy filing — this time spelling the end of the century-old discount retailer.

Western Massachusetts ice cream icon Friendly's also went to court to rework its debts, while Staples and Talbots tried to reassure investors unhappy about their stock prices. Talbots went into full shake-up mode, with the board launching a search to replace CEO Trudy Sullivan and putting the Hingham chain on the block after facing an unsolicited takeover attempt.

Wegmans made headway with its first Bay State store in Northboro, while Walmart started scouting Boston proper for a good spot to open a "neighborhood market" — although Mayor Menino would have none of it.

[http://news.bostonherald.com/business/general/view/2011\\_1226sluggish\\_mass\\_economy\\_edges\\_forward/srv=home&position=also](http://news.bostonherald.com/business/general/view/2011_1226sluggish_mass_economy_edges_forward/srv=home&position=also)





## WYNN/KRAFT CASINO MAY GET UNEXPECTED HELP FROM MENINO

December 26, 2011 9:00 PM by **Ray Poirier**

The Wynn/Kraft casino effort in Foxborough, Mass., may end up with unexpected help from Boston Mayor Tom Menino, who previously had insisted Suffolk Downs's East Boston location was the ideal site for a gaming destination.

But that was before a 20 percent stake in the racetrack operation was acquired by a New York-based real estate development company called Vornado Realty Trust. The latter company entered the Boston scene by acquiring the old Filene's Basement location in the downtown business district.

The plan, at least in Menino's view, was to tear down the old property and replace it with a sparkling new building. What he got was a hole in the ground. That has really triggered Menino's ire. "You can't make a fool out of the city with a big hole downtown," he was quoted as saying in the Boston Globe.

Added the Globe, "The city's development officials have basically told Suffolk Downs owners: No building at Filene's, no casino."

[http://gamingtoday.com/articles/article/34094-Wynn Kraft casino may get unexpected help from Menino](http://gamingtoday.com/articles/article/34094-Wynn-Kraft-casino-may-get-unexpected-help-from-Menino)

# THE REAL DEAL

## ***Filene's Union Square store closing Thursday***

December 27, 2011 03:30PM



Filene's Basement at 4 Union Square South

Since announcing bankruptcy and the closure of all its stores last month, bargain clothing retailer Filene's Basement has been having liquidation sales set to run through next month. Racked learned, however, that this Thursday the Union Square store, at 4 Union Square South, will be closing for good.

ABC News reported in early November that in total, 25 Syms locations and 21 Filene's Basement stores are set to shutter, with closings occurring next month, after the liquidation. In New York City, there is also a Syms/Filene's combination store on the Upper West Side at 2222 and 2228 Broadway between 79th and 80th streets, and a Filene's in Queens at 187-04 Horace Harding Expressway in Flushing.

Syms purchased Filene's out of bankruptcy protection for \$62 million in 2009, but Syms has been having financial problems as well. It was reported in late October that parent company, Secaucus, N.J.-based Syms, owner of Filene's Basement, may be pulling out of plans to lease 34,000 square feet at Crown Acquisitions' 530 Fifth Avenue because of cash flow problems. [Racked]

<http://therealdeal.com/newyork/articles/syms-owned-filene-s-basement-union-square-store-closing-thursday>



# RACKED

## That's All, Folks: Filene's Is Closing for Good on Thursday

Tuesday, December 27, 2011, by Tiffany Yannetta



When **Filene's Basement** first announced they'd be shuttering all stores, the liquidation sale was expected to run through January. However, Mizhattan stopped by the Union Square store and found out that they'll be closing for good this Thursday. As expected, everything is now big-time on sale.

If you're looking for a really good reason to get married, here it is: The wedding gowns are now only **\$39**. Last week, we learned that they were going for \$59, but they've now been reduced to 20 bucks cheaper. As for the selection, Mizhattan says that in the Union Square store, there are only about two racks left.

As for the rest of it, merchandise is marked down between **60% to 70% off**. She reports that the entire shoe section is 70% off, but that it's already been totally picked through. Designer ready to wear is also barren, but denim, on the other hand, is still plentiful—

and it's all 60% off. Looking for loungewear, lingerie, and socks? All of that can be had for **under \$5**. She also found out that it's possible things could get cheaper, as one of the employees said "to check back this Thursday" for more markdowns.

[http://ny.racked.com/archives/2011/12/27/thats\\_all\\_folks\\_filenes\\_is\\_closing\\_for\\_good\\_on\\_thursday.php](http://ny.racked.com/archives/2011/12/27/thats_all_folks_filenes_is_closing_for_good_on_thursday.php)



Tue, Dec. 27 2011 03:35 PM EDT

## **Up to 120 Kmart and Sears Stores to Close**

By Jeff Schapiro

Sears Holdings Corporation announced on Tuesday that it has plans to close between 100 and 120 Kmart and Sears locations following a rough holiday sales season for their stores.

"Given our performance and the difficult economic environment, especially for big-ticket items, we intend to implement a series of actions to reduce on-going expenses, adjust our asset base, and accelerate the transformation of our business model," Sears Holdings CEO Lou D'Ambrosio said in a statement.

"These actions will better enable us to focus our investments on serving our customers and members through integrated retail – at the store, online and in the home."

Sears Holdings, the fourth largest broadline retailer in the U.S., hopes to generate somewhere between \$140 million and \$170 million by selling the inventory at the closing stores, and will generate additional money by selling or subleasing the real estate they occupy.

Which locations will be closed, however, has not yet been fully determined. Shares of Sears Holdings dropped nearly 19 percent following the announcement, CNN Money reports.

But Sears Holdings isn't the only company feeling a financial strain as of late. On Nov. 2, for example it was announced that Filene's Basement, a retail store and Syms Corp subsidiary that was founded over 100 years ago, had filed for Chapter 11 bankruptcy and would be shutting down operations for good.

Marcy Syms, CEO of Syms Corp, said there were a number of problems that led up to the company's financial strain, including "the worst economic downturn in our lifetimes."

Kmart and Sears retail stores are, in many ways, a piece of Americana. The creation of each of these chains began over a century ago, and they have both made an impact on life and business in the United States.

Sears began in 1886 when Richard Sears began selling watches in order to make some extra income, according to searsarchives.com. The next year he teamed up with with Alvah C. Roebuck, a watchmaker, and in 1893 Sears, Roebuck and Co. was officially formed. Sears has significantly expanded in both its size and list of products since that time, and is responsible for nationally recognized brands like Craftsman tools and Kenmore appliances.



In 1899, Sebastian Spering Kresge opened a store in downtown Detroit, where he sold all of his goods at the affordable price of five and 10 cents apiece and laid the foundation for what would later transform into Kmart. The first Kresge store was operated by 18 employees, and today Kmart has over 133,000 associates, according to Sears Holdings' website.

Although they are struggling, this most recent test isn't the first time Kmart has had to deal with financial troubles. In January 2002, Kmart and 37 of its subsidiaries and affiliates in the U.S. filed for Chapter 11 bankruptcy. They completed the reorganization process and emerged from bankruptcy 15 months later.

Sears and Kmart merged into Sears Holdings Corporation in 2005.

<http://m.christianpost.com/news/up-to-120-kmart-and-sears-stores-to-close-65814/>





## Farewell Filene's Basement

6:37 PM, Dec 27, 2011



NW WASHINGTON, DC (WUSA) - - Hundreds of racks were empty when we stopped inside the Filene's Basement on Wisconsin Avenue Tuesday. The discount retailer is closing its doors for good on Thursday. Its new owner, Syms Corp., filed for Chapter 11 Bankruptcy November citing competition and the weak economy.

The crazy scenes of the Running of the Brides made Filene's Basement a household name but to some, The Basement was always a gem. "Filene's Basement is special, it's the cache of good quality," said long time shopper Annette Rizzo, "I'm a Philly girl but I remember shopping in Boston and I never missed the President's Day sale...when men would heave huge boxes of designer clothes and before they even hit the bin ladies would grab the clothes and run to the register because they were that great!"

Edward Filene opened the Basement in Boston's Downtown Crossing in 1909 as a way to sell excess merchandise from his father's Filene's department store upstairs. The Basement was the first to introduce the automatic markdown.

Macy's purchased the Filene's Department store in 2006 (the same year Macy's renamed the local Hecht's stores) and the flagship Basement store shut down a year later. The business struggled to survive ever since. It filed for bankruptcy twice before and in 2009 was purchased by Syms. Syms filed for Chapter 11 in November.

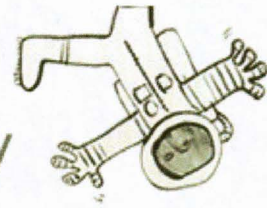
Forty six stores will shut down by the end of the year. 2,600 people will be out of work.

<http://wusa9.com/news/article/181506/158/Farewell-Filenes-Basement>





**PLANET** money



BLOG

## The Undertakers Of The Retail Industry

by Zoe Chace

December 27, 2011



Joe Raedle/Getty Images

When the internet kills a big box retailer, Gordon Brothers is the undertaker.

"They're stuck with selling the things that are inside the box," says bankruptcy lawyer [Steve Jakubowski](#).

Gordon Brothers specializes in retail liquidations. When a store dies, they put on a suit, greet the guests and sell them whatever remains. And that means everything — not just books and clothing and DVDs, but shelves, lighting fixtures, even the chairs.

The liquidators can make a lot of money off the stuff inside the box. Jakubowski says when Borders was liquidated, liquidators bought the merchandise at 72 percent off inventory cost to Borders.

"But remember when they sell it at retail, let's just assume that everybody marks it up double, " says Jakubowski.

Any deals that the store was already offering, the liquidators erase that and start from the top. As the days tick by to closing, the price is methodically slashed.

One thing the liquidators don't have is their own staff to run the store or their own accounting department to pay out the last checks. They use the staff of the store that's closing.

Sym's is a sister brand of Filene's Basement, and they're going out of business together. Teresa Soto worked at Sym's in Secaucus, NJ for 23 years. Her last day was a week ago, and she told me there was one thing she wanted to get at her store's liquidation sale.

"I think I'm going to buy my chair, " said Soto. Soto worked in the store's accounting department, and she sat in the same chair for decades.

Right now is a perfect moment for a liquidator. The economy is bad enough that big companies are going out of business, but good enough that customers will come and buy the stuff that's for sale. Of course, it's not a perfect moment for anyone to be out of a job.

<http://www.npr.org/blogs/money/2011/12/27/144317128/the-undertakers-of-the-retail-industry>





## **All Things Considered**

### **The Undertakers Of The Retail Industry**

Listen (5:47)

Tuesday, 12/27/11 2:51pm

Zoe Chace

ROROBERT SIEGEL, HOST:

Sears has it rough, but it's still in business. This year, we've seen a string of major retailers going bankrupt - among them Borders, Blockbuster and Filene's Basement. It's been especially hard for retail businesses that couldn't keep up with changes in the way we shop online. Borders, for example, never offered a tablet or an E-reader to compete with Amazon and Barnes & Noble. But this economy is a gold mine for one kind of company. All week, we're running a series on who's had a good year, and Zoe Chace of NPR's Planet Money team tells us that that group includes the liquidators.

ZOE CHACE, BYLINE: When the Internet kills you, Gordon Brothers is the undertaker.

STEVEN JAKUBOWSKI: The undertaker shows up when the company's professionals realize the game is over. There's no other options, let's call in the liquidators.

CHACE: Steven Jakubowski is a bankruptcy lawyer. He's worked with Gordon Brothers. They specialize in retail liquidations.

JAKUBOWSKI: They're stuck with selling the things that are inside the box.

CHACE: So that's CDs, books, clothes, DVDs. Listen, somebody dies, it's awful. But it would be worse if there were no undertaker, the sole discretion who handles the death of a business in a practiced, systematic fashion. That's what liquidators do. They put the suit on and greet the guests. I met Leti Rad(ph) in a wet, grey parking lot outside a Syms Department Store in Jersey.

LETI RAD: I got some bras, and I got a belt and seven pairs of sunglasses.

(SOUNDBITE OF LAUGHTER)

CHACE: Why did you need seven pairs?

RAD: They're 70 percent off.



(SOUNDBITE OF LAUGHTER)

CHACE: Syms is a sister brand of Filene's. They're going out of business together. You've seen these, the big, neon going-out-of-business posters on the windows, shoppers running in and out the door after rooting through \$5 blazers.

Did you see the wedding dresses?

AIESHA GULGOU: I know. It's crazy cheap. It's - I want to get married again.

(SOUNDBITE OF LAUGHTER)

CHACE: Aeisha Gulgou(ph) bought a black cocktail dress, instead, for 30 bucks.

What do you think of the job that the liquidator is doing?

GULGOU: What do you mean by - I don't know what liquidator means.

CHACE: A liquidator is supposed to be invisible. But they are actually running this business. Syms sold all their inventory to Gordon Brothers. Gordon Brothers, along with another firm Hilcois, is running this sale, and the liquidators are the ones making money off it. That's why in a going-out-of-business sale, you'll also see the shelves for sale, the lighting fixtures, the chairs.

GULGOU: They even sell those shopping baskets for \$30. Who's going to buy this? I don't know.

CHACE: Our bankruptcy lawyer, Steven Jakubowski, says take the case of the Borders liquidation, so major the five biggest liquidation firms in the country went in on it together.

JAKUBOWSKI: The liquidators came in and bought the merchandise at 72 percent of Borders' cost.

CHACE: So, like, 72 cents on the dollar.

JAKUBOWSKI: But remember when they sell it at retail, let's just assume that everybody marks it up double.

CHACE: Sure, Borders couldn't afford to keep the stores running. But that doesn't mean the actual books are valueless. In fact, any deals that Borders was already offering, the liquidators erase that and start from the top. So how do they figure out what people will actually pay for this stuff?

JAKUBOWSKI: The liquidators have a database, a retail database.

CHACE: A database with millions of barcodes in it. The liquidators have a secret book with all the prices you would ever see in a store.



JAKUBOWSKI: A nine-ounce bag of Lays Potato Chips, a basketball by Wilson for a child's size, every single variation of an item.

CHACE: So everything is priced by the book, and then they start cutting. Sunglasses that were \$30 become five. As the days tick by to closing, the price is methodically slashed. Is there a point where you would just burn everything?

JAKUBOWSKI: Oh, yeah. Absolutely.

CHACE: It's a pretty small bonfire. The liquidators know better than anyone that there's a market for almost everything.

Here's one thing the liquidators don't have: Their own staff to run the store, their own accounting department to pay out the last checks. So they use the staff of the store that's closing.

(SOUNDBITE OF LAUGHTER)

CHACE: Yup, that's what a newly fired accounting department sounds like. I stopped by the Feelgood cafe, in downtown Secaucus, where the Syms was closing. The ladies were eating apps(ph) and drinking margaritas. For the past few weeks, they've been let go basically one at a time. Teresa Soto worked at the Syms for 23 years.

TERESA SOTO: When is going to be my day? Maybe today, maybe tomorrow. And, you know, last Friday was my day.

CHACE: She sat in the same chair for decades.

SOTO: And I think I'm going to buy my chair. It's a good idea. You know, I think it's a good idea to buy.

CHACE: You're going to buy your chair?

SOTO: Yes, I'm going to buy. I'm going to go - tomorrow, I'm going to buy my chair. I'm going to take it with me home.

CHACE: Right now is a perfect moment for a liquidator. The economy's bad enough so big company's go out of business, but good enough so that customers will come and buy the stuff that's for sale. Of course, it's not a perfect moment for anyone to be out of a job. Zoe Chace, NPR News.

<http://www.vpr.net/npr/144317128/>



# The Boston Globe

## Globe readers pick top business stories of 2011

DECEMBER 27, 2011

2011 began with hope that the economic recovery would finally pick up speed. It ended, as so many recent years have, in disappointment.

Old businesses failed, and new ones took root.

Technology boomed and construction struggled. Consumers spent more but remained gloomy.

Mergers absorbed some of the state's most successful companies. The health care sector began to consolidate.

The rich got richer, the poor poorer, and protesters camped out in downtown Boston to call attention to the widening income gap.

These are just some of the stories covered in the Globe's business pages in the past year. We asked readers to vote on most important local business stories of 2011. Here are their top picks:

### ***A BANKRUPT BASEMENT***

**3:** Filene's Basement, which claimed to have invented the bargain, survived the Great Depression, Great Recession, and several milder downturns over more than a century in business. But marketing missteps and fierce competition finally did in the legendary discounter.

Filene's Basement filed for bankruptcy protection in November - the third time in a decade. A liquidation company is holding going-out-of business sales during the holiday season before shutting the Basement's doors for the last time next month.

It is a sad but not unexpected turn for the beleaguered merchant, which started in 1909 as a place to hawk excess clothing and goods from the upstairs Filene's department store on Washington Street. Over the years, the quirky shop became known for its overflowing bins, automatic markdown system, and "Running of the Brides" events, at which women tore through racks of bargain-priced wedding gowns.



In recent years, Filene's Basement lost its flagship store in Downtown Crossing and struggled against larger rivals such as T.J. Maxx and Marshalls. Syms Corp., which bought Filene's Basement at a bankruptcy auction in 2009, tried to fix the Basement by combining the two brands.

But a move to open joint stores alienated customers of both retailers just as the economy and consumer spending weakened. Both Syms and Filene's Basement sustained major losses and are poised to go down together, ending a long run for two of the most beloved discount chains. — *JENN ABELSON*

<http://bostonglobe.com/business/2011/12/27/globe-readers-pick-top-business-stories/CyNvSbVmo2yBbVmas129fN/story.html>



## Basement bows out as other retailers surge

By Donna Goodison

Tuesday, December 27, 2011

The retail industry rose above expectations this year in one of the mostly highly competitive environments in recent memory that saw the loss of the Filene's Basement chain and the success of Dunkin' Donuts hitting the stock market.

As the economy slowly recovers, retail sales are expected to finish 3 percent to 4 percent above 2010 in a year marked by deeper and earlier discounts for the back-to-school and holiday shopping seasons, the addition of layaway programs, widespread free shipping, price matching, looser return policies, and the expansion of online offerings and mobile applications.

"That's pretty good given the backdrop of 9 percent unemployment all year long, the ongoing and broadening financial crisis in Europe, the global slowdown that's materialized in the second half (and) stagnant home prices," said Ken Perkins of Retail Metrics, a retail industry research firm in Swampscott.

But retailers' broader consumer perks and marketing efforts will come at a price. "What impact is all this ... having on their bottom line?" he said. "Margin erosion is key, and we've seen different retailers reporting lower margins."

TJX Cos. — the Framingham owner of Marshalls, T.J. Maxx and HomeGoods — has been one of the best performing retailers, catering to consumers' sweet spot for off-price value.

While the S&P Retail Index was up 2.4 percent year-to-date as of Wednesday — compared to the broader S&P, which was down 1.3 percent — TJX had skyrocketed 41 percent, from \$44 a share to \$62. Framingham office supply chain Staples, meanwhile, was down 37 percent.

Other retailers simply failed in 2011, most notably Borders and Filene's Basement, which both filed for Chapter 11 bankruptcy protection and eventually started liquidating their stores. Once the nation's second-largest bookseller, Borders shut down 650 locations, including 23 in Massachusetts, leaving large holes in the already-beleaguered Downtown Crossing and in the Back Bay on Boylston Street.



The 102-year-old Basement — once famed for the automatic markdown policy at its defunct flagship Downtown Crossing store and the annual "Running of the Brides" bridal gown sale — took its final fall in November. The chain is wrapping up going-out-of-business sales this month after filing for bankruptcy under its New Jersey parent company Syms Corp.

"It was sort of like losing someone who had become very old, had Alzheimer's and was in a nursing home and no longer knows you," said Michael Tesler of Retail Concepts in Norwell. "You're sad when the funeral comes, but you had already lost them years back. The Filene's Basement that existed in 2011 was no longer recognizable by the people who grew up with the Downtown Crossing store."

Wilbraham's Friendly Ice Cream also faltered this year, filing for Chapter 11 in October so it could restructure, citing the economic downturn and rising commodity costs. The 76-year-old chain, known for its Fribbles and SuperMelt sandwiches, closed 63 of its 487 restaurants. It canceled an auction last week after receiving no competing offers to the \$75 million bid by an affiliate of private-equity firm Sun Capital Partners, the chain's current owner.

Dunkin' Brands Group experienced continued strong growth after becoming a publicly traded company this year. The Canton owner of Dunkin' Donuts and Baskin-Robbins sold 22.3 million shares for \$19 apiece in a \$423 million initial public offering in July.

Dunkin', whose stock was trading in the \$24 range last week, is performing quite well as it transitions into a growth company, said David Tarantino, an analyst at Robert W. Baird & Co.

"That's being driven by a lot of the marketing and menu initiatives that the company has in place, as well their brand being relatively well-positioned," Tarantino said.

Westboro-based BJ's Wholesale Club, meanwhile, went private in September under a \$2.8 billion buyout by private-equity firms Leonard Green & Partners and CVC Capital Partners. The warehouse membership club faces new competition in its home state from Wegmans — the Rochester, N.Y.-based grocery chain that opened its first Massachusetts store in Northboro in October and is developing others in Burlington and Newton.

[http://bostonherald.com/business/general/view/2011\\_1227basement\\_bows\\_out\\_as\\_other\\_retailers\\_surge](http://bostonherald.com/business/general/view/2011_1227basement_bows_out_as_other_retailers_surge)

## Syms Creditors Balk At Bid To End Fifth Avenue Lease

By Stephanie Gleason

The committee of unsecured creditors in Syms Corp.'s Chapter 11 bankruptcy case is objecting to the shuttered retailer's proposal to terminate the lease on its Fifth Avenue Manhattan property, saying the lease should be auctioned along with its other retail store leases.

The property, which never opened its doors but was intended to be a Filene's Basement retail store, has a below-market rent in a "burgeoning part" of New York City, the creditors committee said in court documents filed in the U.S. Bankruptcy Court in Wilmington, Del. Paying \$2.6 million to the landlords to terminate the lease doesn't appear to be in creditors' best interest, court papers said.

A deal to sell the Manhattan building for \$400 million is now pending. The committee says that the deal confirms the lease's value. The sale, however, is to be free of the Syms lease.

Instead of paying a fee to terminate the lease, the committee would like to see the lease auctioned off. Syms has filed a plan, which is waiting to be confirmed, to auction 24 other store leases.

But Syms has refused to include the Manhattan property in its auction plan, according to the committee, saying the landlord is threatening to sue if the lease isn't terminated. The committee would like the bankruptcy court to reject Syms's lease termination payment and order the lease to be sold at auction.

The 46-store retailer, which includes Syms and Filene's Basement stores, filed for bankruptcy protection on Nov. 2 with a plan to liquidate. One week after the announcement, the company received approval to restrict trading on the company's shares in order to protect up to \$12.6 million in tax breaks.

The sale of the store leases is the second part of Syms's plan to liquidate, which began with holding going-out-business sales at all of its retail locations.

-Rachel Feintzeig contributed to this article.

<https://www.fis.dowjones.com/article.aspx?aid=DJFDBS0020111222e7cmk9gla&r=wsjblog&s=djfdb&ProductIDFromApplication=11>



## BLOG

**Filene's Basement: The final markdown is a retail basement of Babel**

Date: Wednesday, December 28, 2011, 5:15pm EST

By George Donnelly

Everyone loves a bargain, but super-duper bargains draw a certain hard-core crowd. There's a demonic tenacity to those who think they're getting stuff almost free. You stand in their way at your own peril. They were out in abundance today at [Filene's Basement](#), which was marking down its markdowns of its markdowns: 80-90 percent off the lowest price tag. The sale ends end of business, Dec. 29.

The bargain basement pioneer's commercial life had come to this: the indignity of liquidation. The Back Bay store lay like a destitute old man found in a ditch, his shabby belongings being plucked clean. The buzzards had been through and little was left. Most of the store's first floor area was bare, for the majority of the merchandise had been moved upstairs where about 100 shoppers buzzed through the sloppy racks. They contained mostly women's and junior-size clothes, along with several racks of plus-size jeans. A special sale: Black tracksuits for women — \$4.99. The line to the cash register was about 20 deep.

There were a few homely racks of men's clothes downstairs. A Joseph Abboud shirt had my sleeve length, and would have cost me \$7. But then I checked the neck size: 22. The shirt was almost the size of a sail. A few very ugly double XX sweaters, but only about \$4. Puffy coats, very warm and triple X, for less than a song. Pink sweatsuits with Boston blazoned across the front. At 90 percent off, the bargains are too good to be true because few people want what's left.

Do you buy simply to buy anyway? I would have bought a memento — someone should have printed up discount Filene's Basement caps and convinced Gordon Brothers, which is managing the liquidation, to have them sold. But I had to say no to the oversize gray and blue sweater for \$3.50 and headed for the exit. Good-bye, Filene's Basement.

[http://www.bizjournals.com/boston/blog/bottom\\_line/2011/12/occupy-boston-final-liquidation.html](http://www.bizjournals.com/boston/blog/bottom_line/2011/12/occupy-boston-final-liquidation.html)





## R.I.P. Filene's Basement

Wednesday, December 28, 2011, by [Kerry Folan](#)



Iconic discount department store **Filene's Basement** is closing up shop for good tomorrow, and the reports from our **New York** and **Chicago** sites during the store's final 48 hours are somber. Yes, there are [\\$39 wedding dresses](#), but there is also a hole in our hearts where Filene's once was, as well as this sad, sad [puppy](#). Farewell, Filene's. You will be missed.

<http://racked.com/archives/2011/12/28/rip-filenes-basement-3.php>



## Retail sales resilient in final holiday stretch

December 28, 2011 1:28 PM EST

[Retail](#) sales look poised for a solid finish to the holiday season as consumers hit stores and went online to snap up last-minute gifts, according to data released on Wednesday.

Still, overall sales growth lagged the increase in online spending and some brick-and-mortar retailers struggled. Steep discounts were prevalent throughout the season, tactics that drove sales but could crimp profitability at some chains.

The International Council of Shopping Centers/[Goldman Sachs](#) weekly chain store sales index rose 4.5 percent during the week ending December 24, versus a holiday-shortened pre-Christmas Day week in 2010. Redbook Research put the year-over-year gain at 4.3 percent.

Adjusted for the calendar mismatch, the ICSC/Goldman index rose 0.9 percent for the week ending December 24, compared with the prior week.

"The finish is solid and the season itself was good," said ICSC Chief Economist Michael Niemira. "November was on the soft side but December will be better."

ICSC is sticking with its holiday sales growth forecast of 3.5 percent, which it issued in September.

"Major players, such as Macy's, are fine," Niemira added. "Specialty stores are likely to be more uneven. Specialty apparel seems to have been hit by abnormally warm weather. Sales were on the slow side and there has been more discounting consequently."

The biggest shopping malls and regional malls saw the strongest customer traffic since the first week of 2011. Factory outlets remained busy, but less so than the prior week, he said.

Consumers ratcheted down their online spending compared with

earlier in December, but visits to and spending at electronics and department stores increased during the week, Niemira noted.



U.S. consumer confidence rose more than expected in December, hitting an eight-month high, as Americans grew more upbeat about the labor market and their financial situation, the Conference Board said on Tuesday. That followed a report early in December showing U.S. unemployment at the lowest level since March 2009.

However, U.S. house prices are still falling, tempering economic optimism, and some retailers are suffering.

Sears Holdings Corp said on Tuesday that it will shut as many as 120 stores after poor sales. Borders Group and Filene's Basement were among retailers that filed for bankruptcy protection from creditors this year, and shut down, with Filene's stores set to close shortly.

Part of the problem may be competition with online retailers, who saw faster sales growth this holiday season, suggesting e-commerce took market share from brick-and-mortar stores.

Online spending in the United States reached a record \$35.27 billion from November 1 through December 26, up 15 percent versus the corresponding period last year, comScore reported.

For the week ending December 25, consumers spent \$2.83 billion online, up 16 percent from the corresponding period in 2010, comScore also said.

"E-commerce is going to be awesome this holiday and retail will be mediocre," said Michael Rubin, head of Kynetic, which owns online retail businesses Fanatics, Rue La La and ShopRunner.

(Reporting by Alistair Barr in San Francisco and Jessica Wohl in Chicago, editing by Matthew Lewis)

<http://www.ibtimes.com/articles/273665/20111228/retail-sales-resilient-in-final-holiday-stretch.htm>



# Tredyffrin-EasttownPatch

## SYMS to Close Thursday

**Stop in for 80 percent off merchandise.**

By [Marilyn S. D'Angelo](#)

December 28, 2011

There's just about 24-hours left to shop at Syms and the local retailer is offering significant discounts on the merchandise it has left. According to the store's manager, SYMS is slashing prices to 80 percent off on the merchandise it has left including some men's clothing, women's clothing like jeans and tops, household items like blankets and throws and some blankets for kids.

Syms opened its doors this morning, Wednesday, December 28, at 10am and will close this evening at 9pm. Tomorrow, Thursday, December 29, will be the final day of operation for the store, opening again at 10am. The closing time for tomorrow is still up for debate as managers have yet to decide when to officially call it quits.

[Bankruptcy](#) has forced the retail chain to shutter 32 stores, including the one in our area at 1340 Swedesford Road, leaving 23 local employees out of work.

<http://te.patch.com/articles/syms-to-close-thursday>



# The News-Times

## Sears, Kmart announce store closings

Dirk Perrefort, Staff Writer

Updated 01:52 a.m., Wednesday, December 28, 2011

DANBURY -- Officials with Sears Holdings announced Tuesday that they will close as many as 120 Sears and Kmart locations as a cost-savings measure. Whether the Sears that is one of the anchors of the Danbury Fair mall will be affected remains in question.

According to a statement from the company, "the final determination of the stores to be closed has not yet been made."

Melissa Eigen, the mall's marketing manager, said she couldn't speak on behalf of Sears and referred questions about a possible closure of the local store to company officials, who could not be reached. Some local business and city leaders, however, doubted that the mall store would close.

"I have every reason to believe that the local Sears store is outperforming most other locations in the country," said Stephen Bull, president of the Greater Danbury Chamber of Commerce. "In terms of continuing a profitable enterprise, Danbury is where you want to be. Almost every big-box store in Danbury is a high performer."

Mayor Mark Boughton said he hadn't received any official word that Sears would be closing their mall location.

"It's probably one of the best-performing locations in the Northeast," Boughton said. "I don't want to see anyone lose their jobs, and I hope the Danbury store is safe."

Mall officials announced earlier this month that national outdoor clothing retailer L.L. Bean would be filling the final space available in the location formerly occupied by Filene's.

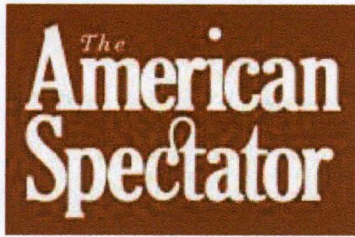
Retailers who currently occupy parts of the former Filene's space include Dick's Sporting Goods, Forever XXI and The Cheesecake Factory.

The statement released by Sears Holdings said the company expects the move to reduce its fixed operating costs by more than \$100 million and to generate an additional \$140 million to \$170 million in revenue from clearing out the inventory of the stores to be closed.

There are Kmarts in Southbury and Mahopac, N.Y., according to the company's web site.

<http://www.newstimes.com/news/article/Sears-Kmart-announce-store-closings-2426886.php>





**The Nation's Pulse**

## ***Top of the Bottom Line***

By Jay D. Homnick on 12.28.11 @ 6:06AM

How sad Filene's Basement and Sym's won't survive this year.

Chanukah presents are supposed to make a fellow happy but this one made me sad. It was tendered tenderly enough by loving family members, but after registering the sentiment of the familial I found myself becoming sentimental over the loss of the familiar. The gift was a gorgeous sweater, bought in the waning moments before Filene's Basement disappears from the American scene. Together with its parent company, Sym's, it will pass in mere days into the realm of the nostalgic.

My sadness is not so much for the loss of Sym's as a purchasing venue, although I have been a customer for about 35 years. I have in fact always enjoyed its atmosphere, its buying eye and its selling style. But that sort of bond is easily transferred to another store or chain. The tragedy is that the reason Sym's and Filene's have been euthanized is the decline of American prosperity.

That's right. Although they are discount outlets, their success was based on the overflow with which God blessed America. When the rich got richer the poor got richer by getting these bargains. The irony here is that our nation slipping from prosperity to austerity is depleting the stock at the bargain table.

The way it works is as follows. When times are plush and wallets are flush, manufacturers churn out lots of stuff. All kinds of stuff. High end, low end and middle middle. These makers figure they are in the field of dreams, and if they build it we will come. Some trendy fashion idea, a new nuance in some item, a kitschy new gadget, a whiz of a gizmo: the big cheeses turn them out in the hope of building a better mousetrap. When in doubt, put it out. "Whatsamatta, you don't want one of these. Okay, take a dozen."

Many products become cheaper to make when made in larger quantities. Some huge machine gets turned on for eight hours; you can either produce a thousand widgets at a cost of 16 cents apiece or two thousand at 11 cents apiece. In *The History of the Jews*, Paul Johnson says that the Jews invented the volume discount, but volume manufacture



was probably invented by some more populous bunch. Certainly a country like China with a billion citizens understands that less is not more; more is more.

When the bounty flows, when there is money around, the risk-takers take risks. They make tons of beautiful suits, scores of magnificent dresses. They do it hoping to sell them to the rich folks for big money but inevitably there is overstocking, Mister Moneybags decides the pants are too baggy, Miss Prim decides the dress is not dressy enough, and now the Sir Plus line turns into surplus.

The reason why Sym's and Filene's have been unable to make money the last few years, despite the fact that there are more people feeling the pinch and looking to save a buck, is that there is no excess inventory anymore. The first company along the line is missing and the assembly is breaking down. The business model of Sym's and Filene's is to sell an upper-middle-class look for a lower-middle-class price. They can do that only when the overachievers are overproducing and selling them the spillover.

Actually, Filene's was around for a hundred years and Sym's only for half that much, but the latter had bought the former somewhere along the line. Now we will find ourselves with fewer opportunities to cross the lines. The rich people will buy the rich look and the poor people will have to buy the poor look. Not only are we losing our job creators, we are losing our job-lot creators.

The economy has been perched on the precipice for a few years now, and the Darwinian results are some tragic extinctions. As some of the building-blocks of the lavish life we once took for granted are crumbling, we find ourselves in an increasingly precarious position. And I do remember one thing from my college Latin: that the root of "precarious" is the Latin *precare*, to pray...

<http://spectator.org/archives/2011/12/28/top-of-the-bottom-line>



# San Francisco Chronicle

**Business Report** The Chronicle with Bloomberg

## Dodgers, MF Global, Syms, SpectraWatt, St. Mary: Bankruptcy

By Bill Rochelle - Dec 28, 2011

### Syms's Trinity Place Store Book Value is \$18.2 Million

Liquidating retailers Syms Corp. and subsidiary Filene's Basement LLC filed their definitive lists of assets and debt last week.

Syms said assets are \$202.6 million, with debt totaling \$68.3 million. Filene's listed assets of \$90.3 million against debt of \$83.8 million.

The lists don't give a full picture of the companies' financial conditions because the asset and debt totals don't include what the schedules call "undetermined amounts."

The real estate at 42 Trinity Place in lower Manhattan was listed as having a book value of \$18.2 million. The total book value of real estate on the Syms schedules is \$63.3 million.

Syms, based in Secaucus, New Jersey, purchased Filene's through a bankruptcy auction in June 2009 in Filene's second venture through Chapter 11. At the outset of the Chapter 11 case on Nov. 2, there were 25 Syms stores and 21 Filene's locations. Going-out-of-business sales are concluding at all stores.

Assets were listed in the Chapter 11 petition at \$236 million, including real estate of \$97.7 million. Liabilities were listed at \$94 million, including \$31.1 million owing on a revolving credit with Bank of America NA as agent. In addition, there were \$11.1 million in letters of credit outstanding on the revolver.

The case is In re Filene's Basement LLC, 11-13511, U.S. Bankruptcy Court, District of Delaware (Wilmington).

<http://sfgate.bloomberg.com/SFChronicle/Story?docId=1376-LWVNME0D9L3501-0KT53AGJ273T6CLDO4IINFCJC8>



# ChevyChasePatch

## 40,000 Square Feet of Retail Space to Open Behind Mazza Gallerie

Construction will start soon for The Shoppes at Friendship Heights.

By [Marty Chase](#)

Thursday, December 29, 2011, 11:00 am

Despite a growing number of vacant storefronts already existing in Friendship Heights, an additional 40,000 square feet of prime retail space will come onto the market in the next year or so.



Construction will start early next year on [The Shoppes at Friendship Heights](#), at 5255 Western Ave. NW, Washington, DC, in the large parking lot directly behind the Mazza Gallerie and in front of the Lord & Taylor store. Signs posted there say that the space is already for rent.

It's an ambitious project, according to plans outlined by the developer, the National Realty & Development Corp. (NRDC), based in Purchase, NY. NRDC plans to construct upscale boutique stores in what is now an empty space, [according to its website](#). The parking lot was closed to vehicles earlier this week. The new stores on Western Avenue will

be integrated with the existing Lord & Taylor store, according to company officials. Visit [NRDC's website](#) for all the details, including [drawings of the proposed stores](#).

"Friendship Heights Plaza containing The Shoppes at Friendship Heights and Lord & Taylor will be an integrated complex including the [150,200-square-foot] Lord & Taylor and the new [40,000-square-foot] Shoppes," according to NRDC's website.

The company added that more than 18,500 potential employees live within a 10-minute walk of the location.

NRDC also highlighted the heavy traffic in Friendship Heights, placing the 'vehicle count' on an average day on Wisconsin Avenue at 29,500 cars and trucks.

But, is there real demand for another 40,000 square feet of retail space in Friendship Heights? That's the big unanswered question at this stage.



At the Mazza Gallerie, which occupies the prime corner location at Wisconsin Avenue NW and Jenifer Street NW, Filene's Basement will be empty at the end of the year [as the national chain shuts down](#), following the chain's bankruptcy filing late last year.

Across the street, the spacious two-floor former Borders bookstore space is [being leased on a temporary basis to Roche Bobois](#). But, there's still no permanent tenant for that prime spot. On Wisconsin Circle, there are at least five empty potential retail spaces, including the location near the corner [formerly occupied by the Gifford's ice cream parlor](#). There are additional retail store vacancies on Wisconsin Avenue north of the [Brooks Brothers](#) store.

What do you think? Is there room for another 40,000 square feet of retail in Friendship Heights?

<http://chevy Chase.patch.com/articles/40-000-square-feet-of-retail-space-to-open-behind-mazza-gallerie>

Shoppers and longtime fans of the chain have greeted the news with shock and sadness — both for the loss of the beloved bargain outlet and for the store's employees who will soon be out of a job.

But that sadness hasn't kept them from scooping up deals en masse.

Security guard Leandrea Lewis, 40, who was brought in after the bankruptcy was announced, said he has seen a variety of reactions over the past two months.

Some women have cried at the thought of Filene's closing, he said. One guy tried to steal \$600 worth of ladies' clothing, swearing it was for his mother. And another woman bought 30 wedding dresses one day. She came back the next day and brought 35 more, Lewis added.

"It's been crazy every day," said Lewis, who works for Cambridge Security Services Corp.

Ida Kwit, who has lived in the Union Square area for 40 years, said she had seen the quality of Filene's clothing selection go down in recent years.

"I will miss it because it was always good to come to," she said. "[But] they just weren't current."

As for the new [Nordstrom Rack outlet that opened nearby](#)? "It wasn't as good as I thought it would be," Kwit noted.

Helena Crisanto, 54, of Queens, spread her three stuffed plastic bags on the floor outside the store after her shopping trip on Wednesday and tried to figure out how to carry everything away.

She paid a total of \$80 for the haul and clutched her streaming receipt with pride. "I like the brands and the way they reduce the prices," she said, spreading the receipt out and smiling. "I hope they reopen."

Janice Haley, 45, of Brooklyn, and Doreese Forty, 51, of Queens, stopped by on Wednesday to pick up a couple of men's shirts and a pair of fuzzy slippers. "\$14 for all four pieces," Haley said, beaming.

The pair was planning one final trip on Thursday to pick up some blankets Forty had been eyeing. Filene's is a part of their daily routine—one they will truly miss, the women agreed.

"We come here every day," Haley said. "We're so sad they're leaving."

<http://www.dnainfo.com/2011/12/29/murray-hill-gramercy/filenes-basement-closes-its-doors-by-offering-massive-discounts>



# THE **TRIBECA TRIB**

COVERING LOWER MANHATTAN

## **Vacated Syms Building Viewed at Possible New School Option**

BY CARL GLASSMAN



From "educated consumers" to educating kids?

If some members of Community Board 1 have their way, the building now housing the Syms clothing store on lower Trinity Place will one day help solve school overcrowding in Lower Manhattan.

The Syms Corp. declared bankruptcy last month and its chain of retail outlets, including the hulking flagship store at 42 Trinity Place, are expected to

close next month. Paul Hovitz and Tricia Joyce, members of CB1's Youth and Education Committee, believe that the vacant 62,000-square-foot building may help ease what they and other Downtown school advocates see as a coming crowding crisis.

"It is in an ideal location for where the need is," Joyce told the Trib, "and we think it could make a great school. Definitely a middle school at the very least."

Joyce and Hovitz first raised the possibility earlier this month with Elizabeth Rose, the Department of Education official in charge of planning for Manhattan, and District 2 Superintendent Mariano Guzman.

Could it happen? There are many more questions than answers—both budgetary and practical. A DOE spokesman reiterated to the Trib the department's position that there is no money in the city's capital plan for providing another school building in Lower Manhattan. But Hovitz said he has hopes for an amendment to the capital plan, such as one that made possible an addition to the Peck Slip school. "I have already had conversations with most of our elected officials who are in full support and so this is pretty exciting for us," he told a meeting of CB1 on Wednesday.



But it also is unclear whether the nearly windowless six-story building could be reconfigured to meet the city's structural guidelines for a school building. In addition, Syms has not divulged plans for its real estate holdings, which are extensive and now embroiled in bankruptcy proceedings. Calls to Syms and an email to the corporation's CEO, Marcy Syms, went unanswered.

But the specter of some 62,000 square feet of empty space Downtown is certain to be raised again with the DOE as pressure builds to find additional school seats in Lower Manhattan.



Some parents of preschool-age children are eyeing classrooms at the Spruce Street School, which will not be occupied by middle schoolers until 2015. They view those seats as better serving elementary students—potentially allowing three or four classes per grade—though DOE officials have steadfastly maintained that the school will remain a kindergarten through 8th grade. Still, another middle school Downtown might make the idea of Spruce as a kindergarten through 5th grade

more palatable, said Hovitz.

"Not everyone can be happy in this situation but if we can get something that enables the majority of Downtowners to benefit then I think we will have achieved something," he said.

Hovitz said the Syms building, which city tax records show has a market value of almost \$10 million, could also become an annex to Millennium High School or a new site for I.S. 289, providing more elementary seats at P.S. 89.

More often than not, say DOE critics, it has been the community, not the city, that has identified sites for new schools. Whether or not the Syms building becomes one of them, they say they can't rely on education officials to locate the next potential Downtown school.

"Our community must be vigilant once more in finding locations for a school," said Joyce. "And if it comes down to us dealing with developers on our own and then pitching it to the DOE, that's what we're prepared to do."

[http://www.tribecatrib.com/news/2011/december/1174\\_syms-middle-school-building-viewed-as-possible-school-site.html](http://www.tribecatrib.com/news/2011/december/1174_syms-middle-school-building-viewed-as-possible-school-site.html)





## Filene's Basement Closes its Doors by Offering Massive Discounts

December 29, 2011 10:43am | By Mary Johnson

UNION SQUARE — It was the end of an era for bargain hunters.

After weeks of inventory-purging discounts, the [Filene's Basement](#) in Union Square prepared to close its doors permanently on Thursday — but not before a few die-hard discount shoppers could snag a few parting purchases, for old time's sake.

Jane Segin emerged from the bustling store on Wednesday with two heaping bags of clothes for her kids and her husband. She estimated she came away with some 40 items for a total cost of about \$200.

"It's sad that they're closing," Segin said. "I don't understand why."

Terry Hyslop netted a set of vibrantly-colored blankets and an umbrella for \$25, but said it was slim pickings by the final days.

"The good stuff was all taken," Hyslop said.

[Last month](#), Filene's—perhaps best known for its [annual "Running of the Brides" event](#)—and its parent company, [Syms](#), filed for bankruptcy protection and announced that it would be closing two dozen locations. That rash of closures included the Filene's locations in Union Square and on the Upper West Side, as well as the Syms men's store in Lower Manhattan.

[The shutdowns were reportedly planned for some time in January](#), but the Filene's in Union Square won't make it to the new year.

Signs hung in the store's windows warning shoppers of their shrinking window left to take advantage of deep discounts of up to 90 percent off.

Bridal gowns that normally cost \$699 were selling for just \$19, and even the store's display racks were up for grabs at a 50 percent discount.



# Bloomberg Businessweek

December 29, 2011 1:46 PM

**WaMu, Vitro, Delta, Nebraska Book, Syms-Filene's: Bankruptcy**

## Syms Claims to Save \$5 Million by Lease Terminations

Liquidating retailers Syms Corp. and subsidiary Filene's Basement LLC are managing to save almost \$5 million by disposing of four of 24 leases they were unable to sell. Although Syms' real estate agents marketed the store leases to 265 other retailers, no third party made a bid acceptable on its own.

Landlords for three stores made offers where the leases are terminated on terms beneficial to Syms. For the three stores, landlords agreed to waive more than \$1.3 million in claims.

For a fourth store at 80th Street and Broadway in Manhattan, the landlord will pay \$500,000 cash although Syms will be liable to pay \$1.6 million for a "tenant improvement allowance." The landlord will waive a \$4 million claim for damages arising from rejection of the lease.

Ultimately, Syms says it will benefit by about \$3.6 million on the Broadway store, after taking into consideration a \$734,000 obligation for payment in arrears under the lease. Yesterday, the bankruptcy judge signed an order approving termination of the leases. Syms is proposing a \$650,000 bonus program to retain the few workers required to complete winding down the business.

Going-out-of-business sales will be completed by the end of this week, when the remaining store leases will be terminated.

Assuming the bankruptcy court in Delaware agrees with the idea at a Jan. 17 hearing, management-level workers will receive a bonus equal to a month-and-a-half salary for every three months worked, assuming the workers remain with the company as long as needed.

Non-management workers would qualify for a bonus of one month's salary for every three months of remaining employment.

Syms, based in Secaucus, New Jersey, purchased Filene's through a bankruptcy auction in June 2009 during Filene's second trip through Chapter 11. At the outset of the Chapter 11 case on Nov. 2, there were 25 Syms stores and 21 Filene's locations. Assets were listed in the Chapter 11 petition for \$236 million, including real estate on the books for \$97.7 million.



Liabilities were listed at \$94 million, including \$31.1 million owing on a revolving credit with Bank of America NA as agent.

In addition, there were \$11.1 million in letters of credit outstanding on the revolver. The case is In re Filene's Basement LLC, 11-13511, U.S. Bankruptcy Court, District of Delaware (Wilmington).

<http://news.businessweek.com/article.asp?documentKey=1376-LWXJOB0UQVI901-1EKDRR0A1CVC7RVTVF2V90TVQL>

# THE **TRIBECA TRIB**

COVERING LOWER MANHATTAN

## Syms Middle School? Vacated Building Eyed as Possible School Site

BY CARL GLASSMAN

POSTED DEC. 30



CARL GLASSMAN/TRIBECA TRIB

Some Lower Manhattan school advocates view the Syms building at 42 Trinity Pl. as a possible site for a middle school or annex of Millennium High School.

From "educated consumers" to educating kids?

If some members of Community Board 1 have their way, the building now housing the Syms clothing store on lower Trinity Place will one day help solve school overcrowding in Lower Manhattan.

The Syms Corp. declared bankruptcy in November and its chain of retail outlets, including the hulking flagship store at 42 Trinity Place, is expected to close this month. Paul Hovitz and Tricia Joyce, members of CB1's Youth and Education Committee, believe that the vacant 62,000-square-foot building may help ease what they and other Downtown school advocates see as a coming crowding crisis.

"It is in an ideal location for where the need is," Joyce told the Trib, "and we think it could make a great school. Definitely a middle school at the very least."

Joyce and Hovitz raised the possibility last month with Elizabeth Rose, a Department of Education planning official and District 2 Superintendent Mariano Guzman. Could it happen? There are many more questions than answers—both budgetary and practical.





Each of the building's floors is 10,000-square-feet.

CARL GLASSMAN/TRIBECA TRIB

A DOE spokesman reiterated to the Trib the department's position that there is no money in the city's capital plan for providing another school building in Lower Manhattan.....But Hovitz said he has been in discussions with elected officials over a hoped-for amendment to the capital plan, much like the one that made possible an addition to the Peck Slip school.

In statements to the Trib, State Sen. Daniel Squadron and Councilwoman Margaret Chin stopped short of saying they will push for buying the building, but expressed interest in learning more about its prospects as a school.

"When open space becomes available in Lower Manhattan we should automatically consider its use as a school," Chin said. "It's an exciting idea,"

It also is unclear whether the nearly windowless six-story building could be reconfigured to meet the city's structural guidelines for a school building.

In addition, Syms has not divulged plans for its real estate holdings, which are extensive and are now embroiled in bankruptcy proceedings.

Calls to Syms and an email to the corporation's CEO, Marcy Syms, went unanswered.

But the specter of some 62,000 square feet of empty space Downtown is certain to be raised again with the DOE as pressure builds to find additional school seats in Lower Manhattan.

Some parents of preschool-age children are eyeing classrooms at the Spruce Street School, which will not be occupied by middle schoolers until 2015. They view those seats as better serving elementary students—potentially allowing three or four classes per grade—though DOE officials have steadfastly maintained that the school will remain a kindergarten through 8th grade. Still, another middle school Downtown might make the idea of Spruce as a kindergarten through 5th grade more palatable, Hovitz said.

"Not everyone can be happy in this situation but if we can get something that enables the majority of Downtowners to benefit then I think we will have achieved something," he said.

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More often than not, say DOE critics, it has been the community, not the city, that has identified sites for new schools. Whether or not the Syms building becomes one of them, they say they can't rely on education officials to locate the next potential Downtown school.

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[http://www.tribecatrib.com/news/2011/december/1181\\_syms-middle-school-vacated-building-eyed-for-school-site.html](http://www.tribecatrib.com/news/2011/december/1181_syms-middle-school-vacated-building-eyed-for-school-site.html)

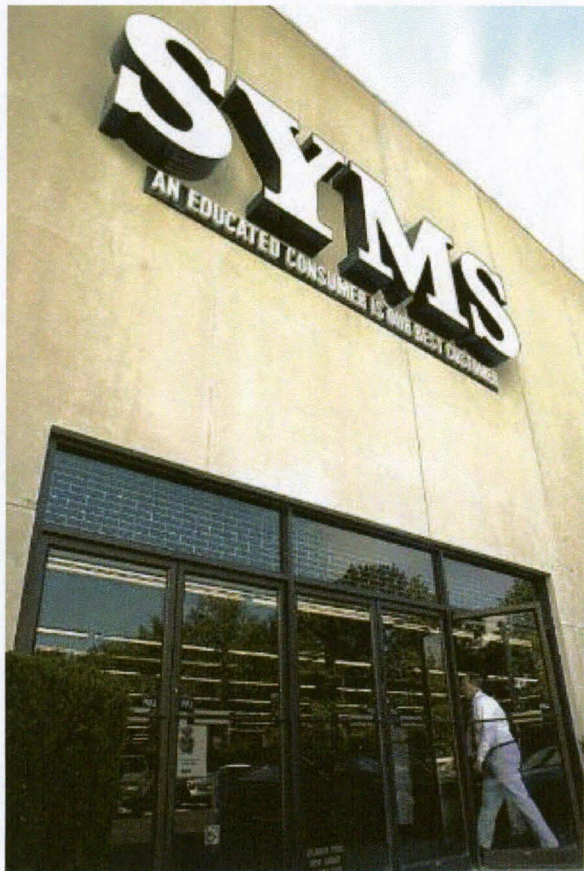




## Syms' final sale: Its real estate

FRIDAY, DECEMBER 30, 2011  
BY JOAN VERDON  
STAFF WRITER

\* Stores no longer open for business, but company still has \$63.2 million in holdings.



Syms estimates that its Paramus property is worth \$1.7 million.

Syms and Filene's Basement stores completed their going-out-of-business sales this week, and Syms Corp. is beginning to liquidate its most valuable asset, its real estate.



The **Paramus** store on Route 17 opened to the public for the last time on Thursday. On Friday, the doors were locked and people inside the building referred all questions to corporate headquarters in **Secaucus**. The interior of the store was bare, except for some empty display cases.

Syms owns the **Paramus** property, along with 14 other store properties, including some prime real estate on Trinity Place in downtown Manhattan. It leased 10 other Syms store buildings, as well as 21 Filene's Basement stores.

Syms estimated in court documents that the **Paramus** building on Route 17 is worth \$1.7 million, and that the Trinity Place real estate is worth \$18.2 million. It valued a **Secaucus** store and distribution center at \$6.2 million, and a Secaucus office condo at \$331,371.

The company placed the value of all of its real estate holdings at \$63.2 million.

The bankruptcy court in Delaware this week approved a plan by Syms to terminate four leases they were unable to sell to other parties.

Although Syms' real estate agents marketed the store leases to 265 other retailers, no third party made a bid acceptable on its own.

Syms told the bankruptcy court that it would save almost \$5 million by disposing of the four leases.

The off-price retailer has asked the bankruptcy court to approve a plan to give management-level workers a bonus equal to a month-and-a-half salary for every three months worked, assuming the workers remain with the company as long as needed.

Non-management workers would qualify for a bonus of one month's salary for every three months of remaining employment.

[http://www.northjersey.com/news/136469138\\_Next\\_for\\_Syms\\_Sell\\_its\\_real\\_estate.html?page=all](http://www.northjersey.com/news/136469138_Next_for_Syms_Sell_its_real_estate.html?page=all)



# The Washington Post

## The Filene's Basement going-out-of-business blues

*By Annie Groer, Published: December 30*

No New Year's Day hangover for me as 2012 unfurls. Instead I've got a roaring case of the Filene's Basement Out-of-Business Blues.

By Jan. 1, after more than a century as America's first and probably most famous off-price clothier, all 21 remaining Basements plus 25 sibling Syms stores will have gone dark, throwing 2,450 people out of work, mostly on the East Coast. I felt awful about those folks, so during recent visits I thanked the cashiers, the salespeople and the ladies who count the garments en route to the fitting room — 10 max, Dearie — for being part of the Filene's experience.

In recent days, equally bummed Syms regulars bid fond farewell to the staff at the Rockville and Falls Church stores. "It's like it was a funeral," mused Linda Mock, who'd worked at Syms stores in Virginia for 33 years.

With [at least 100 Sears and Kmart stores](#) recently targeted for closing, I knew better than to ask any of the current casualties about the future. I cannot imagine what they thought as diehard shoppers picked through dwindling inventories, which had been pushed into ever-shrinking islands surrounded by the remains of empty clothing racks, shelving and eerily dismembered mannequins.

I also feel for Marcy Syms, chief executive of the eponymous empire [founded by her father, Sy, in 1959](#). "Syms, where an educated consumer is our best customer," the two would kvell in TV ads touting their high-end, low-price wares.

In June 2009, five months before Sy's death, his daughter, now 60, acquired Filene's Basement in a federal bankruptcy auction, betting that the two stores' long retail history and consumer brand loyalty could carry the day. Alas, two months ago, Marcy — I call her by her first name because, frankly, she feels like a longtime shopping girlfriend — blamed this latest Chapter 11 ordeal on three factors: less good stuff from suppliers, more rivals and a killer recession, or, as [she explained in a company statement](#): "Increased competition from large department stores that now offer the same brands as our stores at similar discounts; a proliferation of private label discount chains; a decline in buying opportunities as brand name labels have reduced overruns



by improving their supply chain management — all combined with the worst economic downturn in our lifetimes.”

Everyone seems to have become a discount retailer these days, offering deep markdowns to lure cash-strapped consumers and making it harder for the off-price pioneers to compete.

Since the bankruptcy filing in November, hundreds of jarring liquidation signs have been plastered all over both Syms stores in our area as well as the four Filene's: in a Rockville Pike strip mall, at Mazza Gallerie in Chevy Chase, on Connecticut Avenue near the Farragut North Metro station, and at 14th and F streets NW next to the National Press Building. The downtown D.C. stores are an easy walk from the White House and countless law firms and lobby shops. To workaholics and sport shoppers alike, they offered an escape from a tedious day. You could watch a high-powered political operative study the Vivienne Westwood cuff links and chic Ted Baker shirts, or maybe catch a deputy assistant undersecretary of something buying emergency Spanx.

Ah, Filene's, where a harried intern could quickly score a picture frame or a scented candle for the office “secret Santa” party, and where reporters who'd just been called to appear on TV could grab a snappy scarf or tie before airtime.

A prospective employer once suggested that we spend our interview hour checking out Filene's new Italian purses. In short order, I'd bought a pleather Bottega Veneta knockoff while she'd emerged with a groovy skirt. And, yes, I got the writing gig.

I rarely hit the Rockville store, 45 minutes from my house, but in November I made a sentimental return. There in a dingy corner I spied what looked to be the dregs of a bygone [“Running of the Brides”](#) sale: a dozen beat-up wedding gowns, each priced to move in the low hundreds, true, but nearly all in need of major spot removal and repairs.

The Connecticut Avenue store was my mother ship for evening wear, lingerie, trouser suits, pantyhose. Two weeks ago, in a combination mourning ritual and last-gasp bargain binge, a 60-minute blitz yielded two pairs of leggings, two spandex camis, a silk turtleneck, a belt, butt-lifting knickers and some lace socks. Grand total: \$90.82, plus five cents for a large “I just got a bargain!” plastic sack that is now a collectible.

On Wednesday I popped into the Chevy Chase store, across the street from three of Filene's surviving competitors: Nordstrom Rack, T.J. Maxx and Loehmann's. The store looked beyond dismal the day before closing, but Sandra Tran Seamen, a striking hairstylist, diligently searched the remaining merchandise for some overlooked treasure.

“I work in Mazza, so I come here every day,” she said of a circuit that included all three nearby discounters. “Loehmann's has better young contemporary and juniors' stuff, but Filene's has the best designers. It's where I bought this coat” (a stylish mustard Missoni) “and sweater” (a red cashmere number), she said, while examining a peach cardigan she soon rejected as too large. “And I got a \$5,000 Prada purse for \$1,500. But first I went upstairs to Neiman's to compare prices.”



The only bag I wanted at that moment was a large black Filene's Basement schlep sack meant for hauling piles of try-ons around the store at great peril to neck and shoulder muscles. Despite signs promising "no reasonable offer refused" for every remaining object, management declined my \$5 bid for a single tote. Maybe the staff wants them for souvenirs. Maybe Marcy wants them for old times' sake. So I paid another clerk 50 cents for 25 small Filene's white plastic bags, the perfect size for a sandwich or a small gift.

Each one screamed, "I just got a bargain!" And indeed I had, along with a terrible case of Filene's Basement Out-of-Business Blues.

[http://www.washingtonpost.com/opinions/the-filenes-basement-going-out-of-business-blues/2011/12/29/gIQAr84aQP\\_story.html](http://www.washingtonpost.com/opinions/the-filenes-basement-going-out-of-business-blues/2011/12/29/gIQAr84aQP_story.html)

# Forbes

Erika Morphy, Contributor

## LEADERSHIP

12/31/2011 @ 10:19PM | 6,220 views

## 2012: Another Bad Year for Store Closings



Image via Wikipedia

Sears capped off the holiday shopping season with the dispiriting announcement that it would [have to close between 100 to 150 stores](#). A list of Sears and K-marts to be shuttered quickly followed, mostly concentrated in Florida, Michigan, Ohio and Georgia.

Elsewhere in the country, primarily in the Mid-Atlantic, the remaining Filene's Basements and Syms stores are going dark, after having milked the last of the season.

The wave of big box retail bankruptcies and store closings rattled the retail industry in 2009 and 2010. The fingers-crossed assumption has been that the worst is over, with occasional blips such as [Best Buy](#) and Wal-Mart deciding it is prudent to scale back their square footage in certain markets or—and this was more than just a blip—Borders Group's bankruptcy in February 2011. Even if the store closings have peaked, though, that doesn't mean they are anywhere close to over, as Sears has just proved.



### **6,000 to 9,000 More to Go**

Michael Wiener, president of Excess Space [Retail](#) Services in Lake Success, NY, tells me he estimates that there will be between 6,000 to 9,000 store closing in 2012 among national and regional retailers, outside of bankruptcies.

This is upwards to 50% more than what would be a normal level of store closings for a typical year, he says.

### **Congress and Retail Expansion. Not a Good Combo**

The usual suspects are at play—still cautious consumers and the lingering aftermath of the recession. Parts of the country are overdeveloped with retail too, such as Florida.

Another reason, and one that is entirely outside the industry's control, is the intractability of Congress. Retailers, Wiener says, are very hesitant to make bold decisions in the current political climate—a climate that if anything is bound to get worse in 2012.

"This is what we saw throughout 2011. The stock market would have a good run, or there would be some good economic news and we would start getting calls from retailers. Then there would be another high-profile clash in [Washington](#) and that interest would disappear overnight. It was like watching a yo-yo, it was that palpable the influence Washington was having."

<http://www.forbes.com/sites/erikamorph/2011/12/31/2012-another-bad-year-for-store-closings/>

# The Boston Globe

## Boston discount retail institution shuts down

December 30, 2011

A Boston-area discount retail institution has rung up its last sale.

Filene's Basement stores sold the last of their merchandise and even store fixtures and signs on Thursday.

The chain had six stores in Massachusetts and 25 nationwide.

The first Filene's Basement was founded in Boston in 1909 to sell excess merchandise from the iconic Filene's department store. It became famous for its automatic markdown system and its manic annual bridal gown sale.

The basement split from the parent company in 1991.

Syms acquired Filene's Basement out of bankruptcy protection in the spring of 2009 for \$62.4 million, but struggled to turn the chain around and in November filed for bankruptcy protection and announced plans to close down.

Customer Joseph Johnson told The Boston Globe the closure was a great loss.

[http://articles.boston.com/2011-12-30/news/30573640\\_1\\_bankruptcy-protection-syms-discount](http://articles.boston.com/2011-12-30/news/30573640_1_bankruptcy-protection-syms-discount)