

LEVITZ HOME: May File Chapter 11 Petition This Week, Sources Say

Troubled Company Reporter , Nov 08, 2007 (Source: TCR)

Levitz Home Furnishings Inc. could file for chapter 11 protection for the third time within this week unless the company finds a buyer or secure additional financing soon, Clint Engel of Furniture Today reports, citing sources familiar with the matter.

Levitz, Furniture Today's sources relate, has used up the cash invested by its new owners, Prentice Capital Management and Great American Group.

Late last month, more than four suppliers ceased to send items and withdrew the credit line granted to Levitz, the report adds.

Larry Zigerelli, chairman and chief executive officer of the retailer was not available for a comment, the report says.

Headquartered in Woodbury, New York, Levitz Home Furnishings Inc. -- <http://www.levitz.com/> -- was in the business of retailing furniture in the United States. The company and 12 affiliates filed for chapter 11 protection on Oct. 11, 2005 (Bank. S.D.N.Y. Lead Case No. 05-45189). On Dec. 21, 2006, six of the cases were dismissed. The remaining debtors are Levitz Home Furnishings Inc.; Levitz Furniture Company of the Midwest Inc.; Levitz Furniture Company of Washington Inc.; Levitz Furniture Corporation; Levitz Furniture LLC; Seaman Furniture Company Inc.; and Seaman Furniture Company of Pennsylvania, Inc.

Nicholas M. Miller, Esq., and Richard H. Engman, Esq., at Jones Day represent the Debtors. Jeffrey L. Cohen, Esq., Jay R. Indyke, Esq., and Cathy Hershcopf, Esq., at Cooley Godward Kronish LLP serve as counsel to the Official Committee of Unsecured Creditors. When the Debtors filed for protection from their creditors, they reported \$245 million in assets and \$456 million in debts.