SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal quarter ended October 28, 2000.

FEDERATED DEPARTMENT STORES, INC.
151 West 34th Street
New York, New York 10001
(212) 494-1602
and
7 West Seventh St.
Cincinnati, Ohio 45202
(513) 579-7000

Delaware	1-13536	13-3324058
(State of Incorporation)	(Commission File No.)	(I.R.S. Employer Identification Number)

The Registrant has filed all reports required to be filed by Section 12, 13 or 15 (d) of the Act during the preceding 12 months and has been subject to such filing requirements for the past 90 days.

198,739,448 shares of the Registrant's Common Stock, $.01 par value, were outstanding as of November 25, 2000.

PART I -- FINANCIAL INFORMATION

FEDERATED DEPARTMENT STORES, INC.

CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

(MILLIONS, EXCEPT PER SHARE FIGURES)

	13 Weeks Ended		39 Weeks Ended	
	October 28, 2000	October 30, 1999	October 28, 2000	October 30, 1999
Net Sales	$ 4,195	$ 4,137	$12,292	$11,743
Cost of sales:				

Recurring	2,515	2,454	7,289	6,947
Inventory valuation adjustments related to Fingerhut restructuring	35	-	35	-
Total cost of sales	2,550	2,454	7,324	6,947
Selling, general and administrative expenses	1,476	1,381	4,326	3,951
Asset impairment and restructuring charges	760	-	760	-
Operating Income (loss)	(591)	302	(118)	845
Interest expense	(113)	(95)	(323)	(260)
Interest income	2	4	5	9
Income (Loss) Before Income Taxes	(702)	211	(436)	594
Federal, state and local income tax benefit (expense)	34	(88)	(80)	(247)
Net Income (loss)	$ (668)	$ 123	$ (516)	$ 347
Basic earnings (loss) per share	$ (3.32)	$ .59	$ (2.50)	$ 1.65
Diluted earnings (loss) per share	$ (3.32)	$ .56	$ (2.50)	$ 1.58

The accompanying notes are an integral part of these unaudited Consolidated Financial Statements.

FEDERATED DEPARTMENT STORES, INC.

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(MILLIONS)

	October 28, 2000	January 29, 2000	October 30, 1999
ASSETS:			
Current Assets:			
Cash	$ 303	218	$ 595
Accounts receivable	3,826	4,313	3,731
Merchandise inventories	5,045	3,589	4,741
Supplies and prepaid expenses	269	230	269
Deferred income tax assets	255	172	162
Total Current Assets	9,698	8,522	9,498
Property and Equipment - net	6,808	6,828	6,739
Intangible Assets - net	913	1,735	1,771
Other Assets	627	607	551
Total Assets	$ 18,046	$ 17,692	$ 18,559
LIABILITIES AND SHAREHOLDERS' EQUITY:			
Current Liabilities:			
Short-term debt	$ 2,593	$ 1,284	$ 2,078
Accounts payable and accrued liabilities	3,859	3,043	3,688
Income taxes	3	225	84
Total Current Liabilities	6,455	4,552	5,850

Long-Term Debt	4,033	4,589	4,658
Deferred Income Taxes	1,485	1,444	1,345
Other Liabilities	548	555	582
Shareholders' Equity	5,525	6,552	6,124
Total Liabilities and Shareholders' Equity	$ 18,046	$ 17,692	$ 18,559

The accompanying notes are an integral part of these unaudited Consolidated Financial Statements.

FEDERATED DEPARTMENT STORES, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

(MILLIONS)

	39 Weeks Ended October 28, 2000	39 Weeks Ended October 30, 1999
Cash flows from operating activities:		
Net income (loss)	$ (516)	$ 347
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	486	493
Amortization of intangible assets	62	57
Amortization of financing costs	5	5
Amortization of unearned restricted stock	5	1
Asset impairment and restructuring charges	795	-
Changes in assets and liabilities:		
Decrease in accounts receivable	489	109
Increase in merchandise inventories	(1,489)	(1,317)
Increase in supplies and prepaid expenses	(39)	(67)
Increase in other assets not separately identified	(44)	(18)
Increase in accounts payable and accrued liabilities not separately identified	688	741
Decrease in current income taxes	(220)	(64)
Increase in deferred income taxes	52	17
Increase (decrease) in other liabilities not separately identified	(6)	3
Net cash provided by operating activities	268	307
Cash flows from investing activities:		
Purchase of property and equipment	(490)	(470)
Capitalized software	(62)	(34)
Investments in companies	(31)	(90)
Acquisition of Fingerhut Companies, Inc., net of cash acquired	-	(1,539)
Disposition of property and equipment	62	32
Net cash used by investing activities	(521)	(2,101)
Cash flows from financing activities:		
Debt issued	802	2,055
Financing costs	(4)	(10)
Debt repaid	(50)	(158)
Increase in outstanding checks	101	140
Acquisition of treasury stock	(551)	-
Issuance of common stock	40	55
Net cash provided by financing activities	338	2,082
Net increase in cash	$ 85	$ 288
Cash at beginning of period	218	307
Cash at end of period	$ 303	$ 595

Supplemental cash flow information:

Interest paid	$ 317	$ 259
Interest received	5	8
Income taxes paid (net of refunds received)	251	278
Schedule of noncash investing and financing activities:		
Debt assumed in acquisition	-	125
Equity issued in acquisition	-	12
Consolidation of net assets and debt of previously unconsolidated subsidiary	-	1,132

The accompanying notes are an integral part of these unaudited Consolidated Financial Statements.

FEDERATED DEPARTMENT STORES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A description of the Company's significant accounting policies is included in the Company's Annual Report on Form 10-K for the fiscal year ended January 29, 2000 (the "1999 10-K"). The accompanying Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and notes thereto in the 1999 10-K.

Because of the seasonal nature of the retail business, the results of operations for the 13 and 39 weeks ended October 28, 2000 and October 30, 1999 (which do not include the Christmas season) are not indicative of such results for the fiscal year.

Substantially all department store merchandise inventories are valued by the retail method and stated on the LIFO (last-in, first-out) basis, which is generally lower than market. Direct-to-customer merchandise inventories are stated at the lower of FIFO (first-in, first-out) cost or market.

The Consolidated Financial Statements for the 13 and 39 weeks ended October 28, 2000 and October 30, 1999, in the opinion of management, include all adjustments (consisting only of normal recurring adjustments) considered necessary to present fairly, in all material respects, the consolidated financial position and results of operations of the Company and its subsidiaries.

Certain reclassifications were made to prior period amounts to conform with the classifications of such amounts for the most recent periods.

2. ACQUISITION

On March 18, 1999, the Company purchased Fingerhut Companies, Inc. ("Fingerhut") for a purchase price of approximately $1,720 million, including the assumption of $125 million of debt. The Fingerhut acquisition is being accounted for under the purchase method of accounting. Accordingly, the Company's results of operations do not include Fingerhut's results of operations for any period prior to March 18, 1999, and the purchase price has been allocated to Fingerhut's assets and liabilities based on the estimated fair value of these assets and liabilities as of March 18, 1999.

3. ASSET IMPAIRMENT AND RESTRUCTURING CHARGES

In the 13 weeks ended October 28, 2000, the Company recorded asset impairment and restructuring charges related to its Fingerhut businesses totaling $795 million, $35 million of which are included in cost of sales.

In response to a significant credit delinquency problem associated with Fingerhut's core catalog operations, the Company reevaluated the long-term operating projections of, and performed an asset impairment analysis for, each Fingerhut business. This analysis included projected future undiscounted and discounted cash flows disaggregated for each Fingerhut business unit under a variety of operating assumptions.

Using undiscounted projected future cash flows, management determined that an impairment existed for one of the Fingerhut businesses, and a write-down of certain fixed assets and goodwill was recorded in accordance with Statement of Financial Accounting Standards No. 121 "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of." Using discounted projected cash flows at a discount rate commensurate with the Company's cost of capital, management determined that an impairment existed at several other Fingerhut businesses, including the core catalog business, and a write-down of goodwill and credit file intangibles was recorded in accordance with Accounting Principles Board Opinion No. 17, "Intangible Assets."

As a result of the above, the Company recorded asset write-downs of \$673 million for goodwill and credit file intangibles and \$18 million for fixed assets in the 13 weeks ended October 28, 2000. During this same period, the Company recorded a write-down of \$60 million for certain non-public Internet-related investments as a result of the Company's determination, based on uncertain financing alternatives and comparisons with market values of similar publicly traded businesses, that these equity investments were permanently impaired.

The Company also recorded restructuring costs during the 13 weeks ended October 28, 2000 related to the downsizing of the Fingerhut core catalog operations, consisting of \$35 million of inventory valuation adjustments included in cost of sales and \$9 million of severance costs. The severance costs cover approximately 250 employees of which \$2 million had been paid to employees and \$7 million was accrued as of October 28, 2000.

4. SEGMENT DATA

The Company conducts its business through two segments, department stores and direct-to-customer. The department store segment sells a wide range of merchandise, including men's, women's and children's apparel and accessories, cosmetics, home furnishings and other consumer goods. The direct-to-customer segment (Fingerhut, Bloomingdale's By Mail, bloomingdales.com, Macy's By Mail, macys.com and certain other direct marketing activities) sells a broad range of products and services directly to consumers via catalogs, direct marketing and the Internet. "Corporate and other" consists of the assets and liabilities, and related income or expense, associated with the corporate office and certain items managed on a company-wide basis (e.g., intangibles, financial instruments, investments, income taxes, retirement benefits and properties held for sale or disposition).

The financial information for each segment is reported on the basis used internally by the Company to evaluate performance and allocate resources.

	13 Weeks Ended October 28, 2000	October 30, 1999	39 Weeks Ended October 28, 2000	October 30, 1999
	(millions)			
Net Sales:				
Department Stores	$3,742	$3,646	$10,927	$10,652
Direct-to-Customer	453	491	1,365	1,091
Total	$4,195	$4,137	$12,292	$11,743
Operating income (loss):				
Department Stores	$ 329	$ 328	$ 1,065	$ 999
Direct-to-Customer	(138)	25	(344)	(4)
Corporate and other	(782)	(51)	(839)	(150)
Total	$ (591)	$ 302	$ (118)	$ 845

For the 13 and 39 weeks ended October 28, 2000, the operating loss for the direct-to-customer segment includes restructuring costs related to the downsizing of the Fingerhut core catalog operations, consisting of $35 million of inventory valuation adjustments and $9 million of severance costs as well as an asset impairment charge of $18 million for fixed assets of another Fingerhut business. For the 13 and 39 weeks ended October 28, 2000, the operating loss for the corporate and other segment includes asset impairment charges of $673 million for goodwill and credit file intangibles and $60 million for certain Internet-related investments.

Depreciation and amortization expense:				
Department Stores	$ 153	$ 157	$ 451	$ 461
Direct-to-Customer	11	11	33	28
Corporate and other	22	23	69	62
Total	$ 186	$ 191	$ 553	$ 551

	October 28, 2000	October 30, 1999
	(millions)	
Total assets for each segment at the end of the reporting period were as follows:		
Department Stores	$13,852	$13,604
Direct-to-Customer	2,512	2,582
Corporate and other	1,682	2,373
Total	$18,046	$18,559

5. EARNINGS (LOSS) PER SHARE

The following tables set forth the computation of basic and diluted earnings (loss) per share:

	13 Weeks Ended October 28, 2000		October 30, 1999	
	Loss	Shares	Income	Shares

(millions, except per share data)	Loss	Shares	Income	Shares
Net income (loss) and average number of shares outstanding	$(668)	200.5	$ 123	210.0
Shares to be issued under deferred compensation plans	-	.6	-	.4
	$(668)	201.1	$ 123	210.4
Basic earnings (loss) per share	$(3.32)		$ .59	
Effect of dilutive securities:				
Warrants	-	-	-	7.3
Stock options	-	-	-	2.2
	$(668)	201.1	$ 123	219.9
Diluted earnings (loss) per share	$(3.32)		$ .56	

FEDERATED DEPARTMENT STORES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

	39 Weeks Ended			
	October 28, 2000		October 30, 1999	
	Loss	Shares	Income	Shares
(millions, except per share data)				
Net income (loss) and average number of shares outstanding	$(516)	206.3	$347	209.3
Shares to be issued under deferred compensation plans	-	.5	-	.4
	$(516)	206.8	$347	209.7
Basic earnings (loss) per share	$(2.50)		$1.65	
Effect of dilutive securities:				
Warrants	-	-	-	7.3
Stock options	-	-	-	2.4
	$(516)	206.8	$347	219.4
Diluted earnings (loss) per share	$(2.50)		$1.58	

For the 13 and 39 weeks ended October 28, 2000, warrants and stock options to purchase 34.2 million shares of common stock at prices ranging from $11.63 to $79.44 per share were outstanding at October 28, 2000, but were not included in the computation of diluted earnings per share because, as a result of the Company's net loss during these periods, their inclusion would have been antidilutive.

In addition to the stock options reflected in the foregoing tables for the 13 and 39 weeks ended October 30, 1999, stock options to purchase 4.7 million shares of common stock at prices ranging from $46.75 to $79.44 per share were outstanding at October 30, 1999, but were not included in the computation of diluted earnings per share because the exercise price thereof exceeded the average market price and their inclusion would have been antidilutive.

FEDERATED DEPARTMENT STORES, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For purposes of the following discussion, all references to "third quarter of 2000" and "third quarter of 1999" are to the Company's 13-week fiscal periods ended October 28, 2000 and October 30, 1999, respectively, and all references to "2000" and "1999" are to the Company's 39-week fiscal periods ended October 28, 2000 and October 30, 1999, respectively.

RESULTS OF OPERATIONS

COMPARISON OF THE 13 WEEKS ENDED OCTOBER 28, 2000 AND OCTOBER 30, 1999

Net sales for the third quarter of 2000 totaled $4,195 million, compared to net sales of $4,137 million for the third quarter of 1999, an increase of 1.4%. Net sales for department stores for the third quarter of 2000 were $3,742 million compared to $3,646 million for the third quarter of 1999, an increase of 2.6%. On a comparable store basis (sales from stores in operation throughout 1999 and 2000), net sales for the third quarter of 2000 increased 1.9% compared to the third quarter of 1999. Net sales for the direct-to-customer segment were $453 million for the third quarter of 2000 compared to $491 million for the third quarter of 1999, a decrease of 7.6%, reflecting credit tightening policies at Fingerhut.

Cost of sales was 60.8% of net sales for the third quarter of 2000, compared to 59.3% for the third quarter of 1999. Cost of sales as a percent of net sales for department stores increased 0.2 percentage points as a result of higher markdowns taken through the third quarter of 2000, which enabled the Company to keep in-store inventories fresh. Cost of sales for the direct-to-customer segment increased 11.2 percentage points as a percent of net sales during the third quarter of 2000, primarily as a result of the $35 million of inventory valuation adjustments related to the Fingerhut restructuring. The valuation of department store merchandise inventories on the last-in, first-out basis did not impact cost of sales in either period.

Selling, general and administrative ("SG&A") expenses were 35.2% of net sales for the third quarter of 2000 compared to 33.4% for the third quarter of 1999. Department store SG&A expenses as a percent of department store net sales were flat compared to the same period a year ago. Higher pre-opening expenses associated with the large number of store openings planned for the fall season were offset by lower other non-payroll expenses during the third quarter of 2000. SG&A expenses for the direct-to-customer segment in the third quarter of 2000 were negatively impacted by higher bad debt expenses resulting from increased credit delinquencies at Fingerhut. The higher credit related expenses in the direct-to-customer segment during the third quarter of 2000 and increased costs related to the macys.com and bloomingdales.com businesses contributed to the 1.8 percentage point increase in the overall SG&A expense rate for the third quarter of 2000.

During the third quarter of 2000, the Company recorded asset impairment and restructuring charges related to its Fingerhut businesses. The Company recorded asset write-downs of $673 million for goodwill and credit file intangibles, $18 million for fixed assets and $60 million for certain Internet-related investments. The Company also recorded $9 million of severance costs related to the downsizing of the Fingerhut core catalog operations. The Company anticipates incurring an additional $30-$55 million of restructuring charges during the remainder of the fiscal year. In fiscal year 2001, amortization expense of intangible assets will be approximately $29 million lower as a result of the write-down of goodwill and credit file intangibles.

Net interest expense was $111 million for the third quarter of 2000, compared to $91 million for the third quarter of 1999. The higher interest expense for the third quarter of 2000 is due primarily to the increased outstanding debt resulting from the consolidation of the Fingerhut Master Trust for financial reporting purposes, and to a lesser extent the higher interest rate environment.

The income tax benefit was $34 million for the third quarter of 2000. This amount differs from the amount computed by applying the federal income tax statutory rate of 35.0% to the loss before income taxes because of permanent differences arising from the write-off and amortization of intangible assets and the effect of state and local income taxes.

COMPARISON OF THE 39 WEEKS ENDED OCTOBER 28, 2000 AND OCTOBER 30, 1999

Net sales for 2000 totaled $12,292 million, compared to net sales of $11,743 million for 1999, an increase of 4.7%. Net sales for department stores for 2000 were $10,927 million compared to $10,652 million for 1999, an increase of 2.6%. On a comparable store basis, net sales for 2000 increased 2.3% compared to 1999. Net sales for the direct-to-customer segment were $1,365 million for 2000 (which includes Fingerhut for the entire period) compared to $1,091 million for 1999 (which includes Fingerhut from and after the March 18, 1999 acquisition date).

Cost of sales was 59.6% of net sales for 2000, compared to 59.2% for 1999. Cost of sales as a percent of net sales for department stores increased 0.2 percentage points as a result of higher markdowns taken throughout 2000, which enabled the Company to keep in-store inventories fresh. Cost of sales for the direct-to-customer segment increased 3.9 percentage points as a percent of net sales during 2000, primarily as a result of the $35 million of inventory valuation adjustments related to the Fingerhut restructuring taken in the third quarter of 2000. The valuation of department store merchandise inventories on the last-in, first-out basis did not impact cost of sales in either period.

SG&A expenses were 35.2% of net sales for 2000, compared to 33.6% for 1999. Department store SG&A expenses improved 0.5 percentage points as a percent of department store net sales, reflecting the impact of lower non-payroll expenses, including depreciation expense, and higher finance charge income. SG&A expenses for the direct-to-customer segment in 2000 were negatively impacted by higher bad debt expenses resulting primarily from increased credit delinquencies at Fingerhut during 2000. The higher credit related expenses in the direct-to-customer segment during 2000, increased costs related to the macys.com and bloomingdales.com businesses and increased amortization expense resulting from the Fingerhut acquisition combined to offset the improvement in the department store SG&A expense rate and produce a 1.6 percentage point increase in the overall SG&A expense rate for 2000.

During the third quarter of 2000, the Company recorded asset impairment and restructuring charges related to its Fingerhut businesses. The Company recorded asset write-downs of $673 million for goodwill and credit file intangibles, $18 million for fixed assets and $60 million for certain Internet-related investments. The Company also recorded $9 million of severance costs related to the downsizing of the Fingerhut core catalog operations.

Net interest expense was $318 million for 2000 compared to $251 million for 1999. The higher interest expense for 2000 is due primarily to the increased outstanding debt resulting from the Fingerhut acquisition and the consolidation of the Fingerhut Master Trust for financial reporting purposes.

Income tax expense was $80 million for 2000. This amount differs from the amount computed by applying the federal income tax statutory rate of 35.0% to the loss before income taxes because of permanent differences arising from the write-off and amortization of intangible assets and the effect of state and local income taxes.

LIQUIDITY AND CAPITAL RESOURCES

The Company's principal sources of liquidity are cash from operations, cash on hand and certain available credit facilities.

Net cash provided by operating activities in 2000 was $268 million, a decrease of $39 million compared to the $307 million provided in 1999. This reflects greater decreases in 2000 in non-merchandise accounts payable and accrued liabilities due to the timing of the Fingerhut acquisition and greater decreases in income tax liabilities. The impact on net income resulting from higher reserves for bad debt at Fingerhut was offset by greater decreases in 2000 in accounts receivable. The greater increases in 2000 in merchandise inventories were offset by greater increases in merchandise accounts payable.

Net cash used by investing activities was $521 million for 2000. Investing activities for 2000 included purchases of property and equipment totaling $490 million, capitalized software of $62 million and investments in companies engaged in complementary businesses totaling $31 million. The Company opened four new department stores and one new furniture gallery during 2000. In addition, five department stores were opened in November and the Company plans to open two additional furniture galleries before the end of the fiscal year.

Net cash provided to the Company by all financing activities was $338 million in 2000. During 2000, the Company issued debt totaling $802 million, consisting of $452 million of borrowings under the Company's commercial paper program and receivables backed commercial paper and $350 million of 8.5% Senior Notes due 2010. The Company purchased 16.0 million shares of its Common Stock under its stock repurchase program during 2000 at a cost of $549 million. On August 25, 2000, the Board of Directors approved a $500 million increase to the current stock repurchase program increasing the authorization to $1 billion. As of October 28, 2000, the Company had $451 million of the $1 billion authorization remaining. The Company may continue or, from time to time, suspend repurchases of shares under its stock repurchase program, depending on prevailing market conditions, alternate uses of capital and other factors. Also during 2000, the Company issued 1.0 million shares of its Common Stock and received $35 million in proceeds from the exercise of the Company's Series B Warrants, which expired on February 15, 2000.

On December 7, 2000, the Company's wholly owned, special purpose subsidiary, Prime Receivables Corporation, completed a public offering of $400 million principal amount of 6.70% asset backed certificates issued by the Prime Credit Card Master Trust, with a expected final payment date of November 15, 2005. The proceeds from the offering were used for general corporate purposes.

Management believes the department store business and other retail businesses will continue to consolidate. Accordingly, the Company intends from time to time to consider additional acquisitions of, and investments in, department stores, Internet-related companies, catalog companies and other complementary assets and companies.

Management believes that, with respect to its current operations, cash on hand and funds from operations, together with its credit facilities, will be sufficient to cover its reasonably foreseeable working capital, capital expenditure and debt service requirements. Acquisition transactions, if any, are expected to be financed through a combination of cash on hand and from operations and the possible issuance from time to time of long-term debt or other securities. Depending upon conditions in the capital markets and other factors, the Company will from time to time consider the issuance of debt or other securities, or other possible capital markets transactions, the proceeds of which could be used to refinance current indebtedness or for other corporate purposes.

PART II -- OTHER INFORMATION

FEDERATED DEPARTMENT STORES, INC.

ITEM 1. LEGAL PROCEEDINGS

The Company and certain members of its senior management have been named defendants in five substantially identical purported class action complaints (the "Complaints") filed on behalf of persons who purchased shares of the Company between February 23, 2000 and July 20, 2000. The Complaints were filed on August 24, August 30, September 15, September 26, and October 6, 2000, in the United States District Court for the Southern District of New York. The Complaints allege violation of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, and Rule 10b-5 thereunder, on the basis that the Company, among other things, made false and misleading statements regarding its financial condition and results of operations and failed to disclose material information relating to the credit delinquency problem at Fingerhut. The plaintiffs are seeking unspecified amounts of compensatory damages and costs, including legal fees. Management believes that the allegations contained in the Complaints are without merit and intends to vigorously defend against the allegations contained in the Complaints.

ITEM 5. OTHER INFORMATION

This report and other reports, statements and information previously or subsequently filed by the Company with the Securities and Exchange Commission (the "SEC") contain or may contain forward-looking statements. Such statements are based upon the beliefs and assumptions of, and on information available to, the management of the Company at the time such statements are made. The following are or may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995: (i) statements preceded by, followed by or that include the words "may," "will," "could," "should," "believe," "expect," "future," "potential," "anticipate," "intend," "plan," "estimate," or "continue" or the negative or other variations thereof and (ii) statements regarding matters that are not historical facts. Such forward-looking statements are subject to various risks and uncertainties, including (i) risks and uncertainties relating to the possible invalidity of the underlying beliefs and assumptions, (ii) possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions, and (iii) actions taken or omitted to be taken by third parties, including customers, suppliers, business partners, competitors and legislative, regulatory, judicial and other governmental authorities and officials. In addition to any risks and uncertainties specifically identified in the text surrounding such forward-looking statements, the statements in the immediately preceding sentence and the statements under captions such as "Risk Factors" and "Special Considerations" in reports, statements and information filed by the Company with the SEC from time to time constitute cautionary statements identifying important factors that could cause actual amounts, results, events and circumstances to differ materially from those reflected in such forward-looking statements.

PART II -- OTHER INFORMATION

FEDERATED DEPARTMENT STORES, INC.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

10.1 Third Amendment to Series 1998-3 Supplement, dated as of August 28, 2000, by and among Fingerhut Receivables, Inc., as Transferor, Axsys National Bank (formerly named Fingerhut National Bank), as Servicer and The Bank of New York (Delaware), as Trustee.

10.2 Third Amendment Agreement to Fingerhut Receivables, Inc. Security Purchase Agreement, dated as of August 28, 2000, by and among Fingerhut Receivables, Inc., Quincy Capital Corporation, Falcon Asset Securitization Corporation, Four Winds Funding Corporation, Bank of America, N.A., Bank One, NA (Main Office Chicago), and Commerzbank Aktiengesellschaft, Chicago Branch.

10.3 Assignment and Assumption Agreement, dated as of August 28, 2000, by and among Fingerhut Receivables, Inc., as Tranferor, certain Purchasers and Managing Agents parties thereto, and Bank of America, N.A., as Administrative Agent for such Purchasers.

10.4 Reassignment of Receivables, dated as of October 27, 2000, by and between Fingerhut Receivables, Inc. and The Bank of New York.

27 Financial Data Schedule

(b) Report on Form 8-K

Current Report on Form 8-K, dated August 29, 2000, reporting matters under Items 5 and 7 thereof.

Current Report on Form 8-K, dated October 16, 2000 reporting matters under Items 5 and 7 thereof.

FEDERATED DEPARTMENT STORES, INC.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunder duly authorized.

FEDERATED DEPARTMENT STORES, INC.

Date December 12, 2000 /s/ Dennis J. Broderick
Dennis J. Broderick
Senior Vice President, General Counsel
and Secretary

/s/ Joel A. Belsky
Joel A. Belsky
Vice President and Controller
(Principal Accounting Officer)

FINGERHUT RECEIVABLES, INC.,

Transferor

AXSYS NATIONAL BANK
(formerly Fingerhut National Bank),

Servicer

and

THE BANK OF NEW YORK (DELAWARE),

Trustee

on behalf of Series 1998-3 Securityholders

of the Fingerhut Master Trust

THIRD AMENDMENT

Dated as of August 28, 2000

to

SERIES 1998-3 SUPPLEMENT

Dated as of July 30, 1998

to

AMENDED AND RESTATED POOLING AND SERVICING AGREEMENT

Dated as of March 18, 1998

THIRD AMENDMENT dated as of August 28, 2000 ("Third Amendment") to SERIES 1998-3 SUPPLEMENT, by and among Fingerhut Receivables, Inc., as Transferor (the "Transferor"), Axsys National Bank (formerly named Fingerhut National Bank), as Servicer (the "Servicer") and The Bank of New York (Delaware), as Trustee (the "Trustee"). Capitalized terms used but not defined herein shall have the meanings assigned to them in the Agreement (as hereinafter defined).

WHEREAS, the Transferor, the Servicer and the Trustee have heretofore executed and delivered the Amended and Restated Pooling and Servicing Agreement dated as of March 18, 1998, by and among the Transferor, the Servicer and the Trustee, as supplemented by the Series 1998-3 Supplement dated as of July 30, 1998 to the Pooling and Servicing Agreement, as amended by the First Amendment dated March 17, 1999, and the Second Amendment dated as of July 29, 1999 (the "Series Supplement"). The Pooling and Servicing Agreement, as supplemented by the Series Supplement is referred to herein as the "Agreement"); and

WHEREAS, the Section 13.1(b) of the Pooling and Servicing Agreement provides that the Transferor, the Servicer and the Trustee with the consent of the Holders of Investor Securities representing not less than 66-2/3% of the Invested Amount of each and every Series or Participation adversely affected may amend the Series Supplement, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Pooling and Servicing Agreement, or of modifying in any manner the rights of the Investor Securityholders of any Series then issued and outstanding, provided, however, that no such amendment shall (i) reduce in any manner the amount of, or delay the timing of, distributions which are required to be made on any Investor Security of such Series without the consent of all of the related Investor Securityholders, (ii) change the definition of or the manner of calculating the interest of any Investor Securityholder of such Series without the consent of the related Investor Securityholder or (iii) reduce the aforesaid percentage required to consent to any such amendment, in each case without the consent of all such Investor Securityholders.

NOW, THEREFORE, the Transferor, the Servicer, the Investor Securityholders and the Trustee hereby amend the Series Supplement as follows:

SECTION 1.1 The definitions of "Class C Enhancement Interest," "Class C Facility Usage Fee," "Class C Funding Interest," "Class C Funding Shortfall," "Class C Interest Rate," "Class C Program Fee," "Facility Unused Fee," "Purchaser Group Percentage," "Required Senior Securityholders" and "Specified Termination Date" from Section 2 of the Series Supplement are hereby amended and restated in their entirety to read as follows:

"Class C Enhancement Interest" shall mean, for any Business Day, an amount equal to zero.

"Class C Facility Usage Fee" shall mean, for any Business Day, zero.

"Class C Funding Interest" shall mean, with respect to any day, the interest accrued for such day with respect to any Class A Funding Shortfall.

"Class C Funding Shortfall" shall mean, with respect to any Business Day, an amount equal to the excess, if any, of (x) the portion of Class C Interest accrued with respect to Funding Periods ending on such Business Day plus Class C Funding Interest for such Business Day plus the Class C Funding Shortfall for the preceding Business Day over (y) the amount paid to the Administrative Agent, for the benefit of the Class C Securityholders, in respect thereof on such Business Day. The Class C Funding Shortfall shall be zero.

"Class C Interest Rate" shall mean zero.

"Class C Program Fee" shall mean, for any Business Day, zero.

"Facility Unused Fee" shall mean, for any Business Day, an amount equal to the sum of (A) the product of (i) a fraction the numerator of which is the actual number of days from and including the preceding Business Day to but excluding such Business Day and the denominator of which is 360, (ii) 0.150% and (iii) the excess of (a) the Class A Maximum Invested Amount minus the Class A Invested Amount as of the preceding Business Day and (B) the product of (i) a fraction the numerator of which is the actual number of days from and including the preceding Business Day to but excluding such Business Day and the denominator of which is 360, (ii) 0.2125% and (iii) the excess of (x) the Class B Maximum Invested Amount minus (y) the Class B Invested Amount, each as of the preceding Business Day.

"Purchaser Group Percentage" shall mean the following with respect to the Class A Securities and the Class B Securities: (a) 37.5% with respect to Quincy Capital Corporation and the related Purchaser Group, (b) 37.5% with respect to Falcon Asset Securitization Corporation and the related Purchaser Group and (c) 25% with respect to Four Winds Funding

Corporation and the related Purchaser Group. The Purchaser Group Percentage shall mean 100% with respect to the Holder of the Class C Securities.

"Required Senior Securityholders" shall mean (a) prior to the Specified Termination Date, the Holders of Class A Securities and Class B Securities whose Purchaser Group Percentages aggregate more than 50% and (b) after the Specified Termination Date, the Holders of Senior Securities evidencing undivided interests aggregating more than 50% of the sum of the Class A Invested Amount and the Class B Invested Amount."

"Specified Termination Date" shall mean August 27, 2001, or such later date to which the Specified Termination Date may be extended pursuant to Section 2.05 of the Security Purchase Agreement.

SECTION 1.2 Section 8 of the Series Supplement is hereby amended by adding a new subparagraph (f) and amending and restating the language that currently follows subparagraph (e), in each case to read as follows:

"(f) Federated Department Stores, Inc. shall own, directly or indirectly, less than 51% of the common stock of Fingerhut Companies, Inc. and either Fingerhut Companies, Inc. or the owner of at least 51% of the common stock of Fingerhut shall not have a rating of at least Baa2 from Moody's or BBB from S&P;

then, in the case of any event described in subparagraph (a), (b), (e) or (f), after the applicable grace period, if any, set forth in such subparagraphs, the Required Senior Securityholders by notice then given in writing to the Trustee, the Transferor, the Cap Provider and the Servicer may declare that a pay out event (a "Series Pay Out Event") has occurred as of the date of such notice, and in the case of any event described in subparagraphs (c) or (d), a Series Pay Out Event shall occur without any notice or other action on the part of the Trustee or the Series 1998-3 Securityholders immediately upon the occurrence of such event."

SECTION 1.3 During such time as the Class C Securities are being held by the Transferor:

(a) The definition of "Senior Securityholder" shall be deemed to not include the holder of the Class C Securities and the definitions of "Class C Reserve Account" and "Class C Trigger Event" shall be deemed to be deleted;

(b) The provisions of Sections 4.9(xi), 4.11(a)(iii), 4.11(b)(iii), 4.15 and 4.16 shall be given no effect;

(c) Payments under Section 4.12(d) with respect to the Class C Securities shall be made to the Class C Securityholder and not the Administrative Agent; and

(d) Increases in the Class C Invested Amount pursuant to Section 6.15 shall be made in the same manner as for increases in the Class D Invested Amount under Section 6.16.

SECTION 2. Ratification of Agreement. As amended by this Third Amendment, the Series Supplement is in all respects ratified and confirmed, and the Series Supplement as so amended by this Third Amendment shall be read, taken and construed as one and the same instrument.

SECTION 3. No Waiver. The execution and delivery of this Third Amendment shall not constitute a waiver of a past default under the Agreement or impair any right consequent thereon.

SECTION 4. Counterparts. The Third Amendment may be executed in two or more counterparts including telecopy transmission thereof (and by different parties on separate counterparts), each of which shall be an original, but all of which together shall constitute one and the same instrument.

SECTION 5. GOVERNING LAW. THIS THIRD AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

SECTION 6. Effective Date. This Third Amendment shall automatically become effective as of the date upon which it has been executed by the Transferor, the Trustee, and the Servicer, and has been consented to by the holders of all of the Senior Securityholders.

IN WITNESS WHEREOF, the Transferor, the Servicer, the Trustee and the Senior Securityholders have caused this Third Amendment to be duly executed by their respective officers, thereunto duly authorized, as of the day and year first above written.

FINGERHUT RECEIVABLES, INC.,
as Transferor and the Class C Securityholder

By /s/ Brian M. Szames
Name: Brian M. Szames
Title: President

AXSYS NATIONAL BANK
(formerly named Fingerhut National Bank),
as Servicer

By /s/ Brian M. Szames
Name: Brian M. Szames
Title: Treasurer

THE BANK OF NEW YORK (Delaware),
as Trustee

By /s/ Michael Santino
Name: Michael Santino
Title: Senior Vice President

By signing this Third Amendment, the following Senior Securityholders hereby consent to such Third Amendment.

BANK OF AMERICA, N.A.,
as Senior Securityholder

By /s/ Elliott Lemon
Name: Elliott Lemon
Title: Vice President

BANK ONE, NA (MAIN OFFICE CHICAGO),
as Senior Securityholder

By /s/ Andrew Leszczynski

Name: Andrew Leszczynski
Title: Vice President

COMMERZBANK AKTIENGESELLSCHAFT, CHICAGO BRANCH, as Senior Securityholder

By /s/ James F. Ahern
Name: James F. Ahern
Title: Senior Vice President

By /s/ Carl Kemmerer
Name: Carl Kemmerer
Title: Assistant Treasurer

THIRD AMENDMENT AGREEMENT
to
FINGERHUT RECEIVABLES, INC.
SECURITY PURCHASE AGREEMENT

This Third Amendment Agreement (the "Amendment") is executed as of the 28th day of August, 2000, by and among Fingerhut Receivables, Inc. (the "Transferor"), Quincy Capital Corporation ("QCC"), Falcon Asset Securitization Corporation ("Falcon"), Four Winds Funding Corporation ("Four Winds" and, collectively with QCC and Falcon, the "Conduit Purchasers"), Bank of America, N.A. ("BofA" or the "Administrative Agent"), Bank One, NA (Main Office Chicago) ("Bank One"), and Commerzbank Aktiengesellschaft, Chicago Branch ("Commerzbank" and collectively with BofA and Bank One, the "Alternate Purchasers" or the "Managing Agents").

W I T N E S S E T H:

WHEREAS, the Transferor, the Conduit Purchasers, the Managing Agents, the Alternate Purchasers and the Administrative Agent executed the Security Purchase Agreement dated as of July 30, 1998, as amended by the First Amendment Agreement dated as of July 29, 1999 and the Second Amendment Agreement dated as of July 20, 2000 (the "Security Purchase Agreement"). Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Security Purchase Agreement.

WHEREAS, the parties hereto have agreed to amend the Security Purchase Agreement on the terms and conditions hereinafter set forth:

NOW, THEREFORE, the parties hereto agree as follows:

SECTION 1. Amendment of the Security Purchase Agreement. The Security Purchase Agreement is, effective on the date hereof and subject to the satisfaction of the condition precedent set forth in Section 3 below, hereby amended as follows:

1.1 The definition of "Specified Termination Date" contained in Section 1.01 of the Security Purchase Agreement shall be amended and restated in its entirety to read as follows:

> "Specified Termination Date" shall mean August 27, 2001, or such later date to which the Specified Termination Date may be extended in accordance with Section 2.05 hereof."

1.2 This Amendment shall be deemed to extend the Specified Termination Date for purposes of Section 2.05 of the Security Purchase Agreement.

1.3 Upon consummation of the sale referred to in Section 2 hereof and for so long as the Class C Securities are held by the Transferor, all references to the Class C Securities, the Class C Commitment Amount, the Class C Investment Amount, the Additional Class C Invested Amount, the Class C Initial Invested Amount, the Class C Facility Usage Fees and the Class C Principal shall be deleted from the Security Purchase Agreement.

SECTION 2. Sale of Class C Securities. Pursuant to an Assignment and Assumption Agreement in the form attached hereto as Exhibit A, the Conduit Purchasers and Alternate Purchasers shall sell the Class C Securities to the Transferor.

SECTION 3. Condition Precedent. This Amendment shall become effective as of the date hereof upon the execution hereof by all of the parties hereto.

SECTION 4. Miscellaneous.

4.1 Ratification. As amended hereby, the Security Purchase Agreement is in all respects ratified and confirmed and the Security Purchase Agreement as so amended by this Amendment shall be read, taken and construed as one and the same instrument.

4.2 Representation and Warranty. The Transferor represents and warrants that this Amendment has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium or other similar laws now or hereafter in effect affecting the enforcement of creditors' rights in general and by general principles of equity (whether considered in a suit at law or in equity).

4.3 Governing Law; Parties. THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. Whenever in this Amendment there is a reference made to any of the parties hereto, such reference shall also be a reference to the successors and assigns of such party, including, without limitation, any debtor-in-possession or trustee. The provisions of this Amendment shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto.

4.4 Counterparts; Severability. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. In case any provision in or obligation under this Amendment shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

4.5 Expenses. The Transferor agrees to pay all reasonable out-of-pocket expenses (including, without limitation, the fees and expenses of counsel to the Purchasers) incurred by the Administrative Agent or the Purchasers in connection with the negotiation, execution, delivery and preparation of this Amendment.

IN WITNESS WHEREOF, the Transferor, the Purchasers, the Managing Agents, and the Administrative Agent have caused this Amendment to be fully executed by their respective officers as of the day and year first above written.

FINGERHUT RECEIVABLES, INC.,
as Transferor

By: /s/ Brian M. Szames
Name: Brian M. Szames
Title: President

QUINCY CAPITAL CORPORATION,
as Conduit Purchaser

By: /s/ Juliana C. Johnson
Name: Juliana C. Johnson
Title: Vice President

FALCON ASSET SECURITIZATION CORPORATION,
as Conduit Purchaser

By: /s/ Andrew Leszczynski
Name: Andrew Leszczynski
Title: Authorized Signatory

FOUR WINDS FUNDING CORPORATION,
as Conduit Purchaser

By: /s/ James T. Ahern
Name: James T. Ahern
Title: Senior Vice President

By: /s/ Carl Kemmerer
Name: Carl Kemmerer
Title: Assistant Treasurer

BANK OF AMERICA, N.A.,
as Alternate Purchaser and Managing
Agent and as Administrative Agent for the
Purchasers

By /s/ Elliot Lemon
Name: Elliot Lemon
Title: Vice President

BANK ONE, NA (MAIN OFFICE CHICAGO),
as Alternate Purchaser and Managing
Agent

By: /s/ Andrew Leszczynski
Name: Andrew Leszczynski
Title: Authorized Signatory

COMMERZBANK AKTIENGESELLSCHAFT, CHICAGO
BRANCH, as Alternate Purchaser and
Managing Agent

By: /s/ James T. Ahern
Name: James T. Ahern
Title: Senior Vice President

By: /s/ Carl Kemmerer
Name: Carl Kemmerer
Title: Assistant Treasurer

ASSIGNMENT AND ASSUMPTION AGREEMENT

Reference is made to the Security Purchase Agreement dated as of July 30, 1998 , as amended by the First Amendment Agreement dated as of July 29, 1999, the Second Amendment Agreement dated as of July 20, 2000 and the Third Amendment dated as of August 28, 2000 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Security Purchase Agreement"), by and among Fingerhut Receivables, Inc., as Transferor, certain Purchasers and Managing Agents parties thereto, and Bank of America, N.A., as Administrative Agent for such Purchasers. To the extent not defined herein, capitalized terms used herein have the meanings assigned to such terms in the Security Purchase Agreement.

Quincy Capital Corporation, Falcon Asset Securitization Corporation, Four Winds Funding Corporation, Bank of America, N.A., Bank One, NA (Main Office Chicago), and Commerzbank Aktiengesellschaft, Chicago Branch (each an "Assignor" and collectively the "Assignors") and Fingerhut Receivables, Inc., a Delaware corporation (the "Assignee"), hereby agree as follows:

1. In consideration of the Assignee's payment of $54,545,455 (the "Purchase Price"), each of the Assignors hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, a 100% interest in its interest in the Class C Securities of its Purchaser Group and/or the Class C Invested Amount, and to each such Assignor's rights and obligations with respect to the Class C Securities under the Security Purchase Agreement on August 28, 2000 (the "Purchase Date"). The Purchase Price shall be paid on the Purchase Date. All interest and fees accrued on the Class C Securities to but excluding the Purchase Date, shall be paid to the Assignors in accordance with the Series Supplement.

2. Each of the Assignors (i) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any Lien created by it; (ii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Security Purchase Agreement, the other Principal Agreements or any other instrument or document furnished pursuant thereto or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Security Purchase Agreement, the other Principal Agreements, the Receivables or other Trust Property or any such other instrument or document furnished pursuant thereto; and (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of Transferor or Servicer or the performance or observance by Transferor or Servicer of any of their respective obligations under the Security Purchase Agreement, the other Principal Agreements or any instrument or document furnished pursuant thereto.

3. The Assignee (i) confirms that it has received a copy of the Security Purchase Agreement, the Pooling and Servicing Agreement, the Series Supplement and such other instruments, documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption Agreement and purchase such interest in the Assignor's rights and obligations under the Security Purchase Agreement; (ii) specifies as its address for notices the office set forth beneath its name on the signature pages hereof; and (iii) agrees that it will not institute against any Conduit Purchaser any proceeding of the type referred to in Section 9.11 of the Security Purchase Agreement prior to the date which is one year and one day after the payment in full of all commercial paper and other debt securities issued by any Conduit Purchaser.

4. (i) The Assignee shall be the owner of the Class C Invested Amount, (ii) the Assignors shall be released from their respective obligations to fund any Additional Invested Amount with respect to the Class C Securities requested by the Transferor subsequent to the Purchase Date and all other obligations, if any, of the Assignors under and in connection with the Security Purchase Agreement or any other Principal Agreements with respect to the Class C Securities to the extent of this Assignment and Assumption Agreement, (iii) all distributions in respect of the Class C Invested Amount shall be made to the Assignee, (iv) the defined terms and other terms and provisions of the Security Purchase Agreement and the other Principal Agreements shall be interpreted in accordance with the foregoing, and (v) if requested by the Administrative Agent, the Assignors and the Assignee will execute and deliver such further agreements and documents and take such other actions as the Administrative Agent may reasonably request to evidence and give effect to the foregoing.

5. This Assignment and Assumption Agreement shall be effective on the Purchase Date upon receipt by the Administrative Agent and the Transferor of this Assignment and Assumption Agreement duly executed by Assignors, the Assignee and the Managing Agents for the Assignors.

6. As of the Purchase Date, (i) the Assignee shall not be a party to the Security Purchase Agreement nor have any rights and obligations of a Conduit Purchaser or an Alternate Purchaser thereunder, notwithstanding the provisions of Section 8.01 of the Security Purchase Agreement and (ii) the Assignors shall, to the extent provided in this Assignment and Assumption Agreement with respect to the Class C Securities, relinquish their respective rights and be released from their respective obligations under the Security Purchase Agreement.

7. The Assignee covenants and agrees (i) not to assign, sell or transfer all or any part of its interest in any Class C Securities to any Person that is not an Affiliate of the Transferor or the Servicer without the prior written consent of the Required Senior Securityholders and (ii) that any assignment, sale or transfer of an interest in its Class C Securities to such Person shall comply in all respects with the terms and conditions set forth in Section 8.01 of the Security Purchase Agreement.

8. Upon such acceptance and recording, from and after the Effective Date, the Administrative Agent shall make all payments received by it in respect of the interest assigned hereby to the Assignee. The Assignors and the Assignee shall make all appropriate adjustments in payments under the Security Purchase Agreement for periods prior to the Purchase Date directly between themselves.

9. This Assignment and Assumption Agreement may be executed by one or more of the parties on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

10. This Assignment and Assumption Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Assumption Agreement to be executed by their respective officers thereunto duly authorized as of the 28th day of August, 2000.

QUINCY CAPITAL CORPORATION,
as Conduit Purchaser and Assignor

By /s/ Juliana C. Johnson
Name: Juliana C. Johnson
Title: Vice President

FALCON ASSET SECURITIZATION CORPORATION,
as Conduit Purchaser and Assignor

By /s/ Andrew Leszczynski
Name: Andrew Leszczynski
Title: Authorized Signatory

FOUR WINDS FUNDING CORPORATION,
as Conduit Purchaser and Assignor

By: /s/ James T. Ahern
Name: James T. Ahern
Title: Senior Vice President

By: /s/ Carl Kemmerer
Name: Carl Kemmerer
Title: Assistant Treasurer

BANK OF AMERICA, N.A.,
as Alternate Purchaser and Managing Agent
and as Administrative Agent for the
Purchasers

By /s/ Elliott Lemon
Name: Elliott Lemon
Title: Vice President

BANK ONE, NA (MAIN OFFICE CHICAGO),
as Alternate Purchaser and Managing Agent

By /s/ Andrew Leszczynski
Name: Andrew Leszczynski
Title: Authorized Signatory

COMMERZBANK AKTIENGESELLSCHAFT, CHICAGO
BRANCH, as Alternate Purchaser and
Managing Agent

By: /s/ James T. Ahern
Name: James T. Ahern
Title: Senior Vice President

By: /s/ Carl Kemmerer
Name: Carl Kemmerer
Title: Assistant Treasurer

FINGERHUT RECEIVABLES, INC.,
as Assignee and Transferor

By /s/ Brian M. Szames
Name: Brian M. Szames
Title: President

4400 Baker Road
Suite F480
Minnetonka, MN 55343
Attn: Treasury

with a copy to:

Federated Department Stores, Inc.
7 West Seventh Street
Cincinnati, OH 45202
Attn: Treasurer

REASSIGNMENT OF RECEIVABLES

REASSIGNMENT NO. 2 OF RECEIVABLES, dated as of October 27, 2000, by and between FINGERHUT RECEIVABLES, INC., a corporation organized and existing under the laws of the States of Delaware (the "Transferor"), and THE BANK OF NEW YORK (DELAWARE), a banking corporation organized under the laws of the State of Delaware (the "Trustee") pursuant to the Pooling and Servicing Agreement referred to below.

W I T N E S S E T H

WHEREAS, the Transferor and the Trustee are parties to the Amended and Restated Pooling and Servicing Agreement, dated as of March 18, 1998 (hereinafter as such agreement may have been, or may from time to time be, amended, supplemented or otherwise modified, the "Pooling and Servicing Agreement") by and among the Transferor, Axsys National Bank (formerly Fingerhut National Bank), as Servicer, and the Trustee;

WHEREAS, PURSUANT TO Section 2.7 of the Pooling and Servicing Agreement, the Transferor wishes to remove all Receivables from certain designated Accounts (collectively, the "Removed Accounts") and to cause the Trustee to reconvey the Receivables of such Removed Accounts, whether now existing or hereafter created, from the Trust to the Transferor (as each such term is defined in the Pooling and Servicing Agreement); and

WHEREAS, the Trustee is willing to accept such designation and to reconvey the Receivables in the Removed Accounts subject to the terms and conditions hereof.

NOW THEREFORE, the Transferor and the Trustee hereby agree as follows:

A. Defined Terms. All terms defined in the Pooling and Servicing Agreement and used herein shall have such defined meanings when used herein, unless otherwise defined herein.

"Removal Date" shall mean, with respect to the Removed Accounts designated hereby, October 27, 2000.

"Removal Notice Date" shall mean, with respect to the Removed Accounts designated hereby, October 19, 2000 (which shall be a date on or prior to the fifth Business Day prior to the Removal Date).

B. Designation of Removed Accounts. The Transferor shall deliver to the Trustee or the bailee of the Trustee, not later than five Business Days after the Removal Date, a computer file or microfiche list containing a true and complete list of each revolving consumer credit card account which as of the Removal Date shall be deemed to be a Removed Account, such accounts being identified by account number and by the aggregate amount of Receivables in such accounts as of the close of business on the Removal Date. Such list shall be marked as Schedule 1 to this Reassignment and shall be incorporated into and made a part of this Reassignment as of the Removal Date.

C. Conveyance of Receivables

1. The Trustee does hereby reconvey to the Transferor, without recourse, representation or warranty, on and after the Removal Date, all right, title and interest of the Trust in and to the Receivables now existing and hereafter created in the Removed Accounts designated hereby, all monies due or to be come due with respect thereto (including all Finance Charge Receivables) and all proceeds (as defined in Section 9-306 of the UCC as in effect in the Relevant UCC State) of such Receivables.

2. In connection with such transfer, the Trustee agrees to execute and deliver to the Transferor within 10 business days of the date of this Reassignment, a termination statement, as provided to the Trustee by the Transferor, with respect to the Receivables now existing and hereafter created in the Removed Accounts designated hereby evidencing the release by the Trust of its Lien on the Receivables in the Removed Accounts, and meeting the requirements of applicable state law, in such manner and such jurisdictions as are necessary and advised by the Transferor to remove such Lien.

D. Representations and Warranties of the Transferor. The Transferor hereby represents and warrants to the Trustee as of the Removal Date:

1. Legal, Valid and Binding Obligation. This Reassignment constitutes a legal, valid and binding obligation of the Transferor enforceable against the Transferor in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity).

2. Selection Procedures. No selection procedures believed by the Transferor to be materially adverse to the interests of the Investor Securityholders were utilized in selection the Removed Accounts designated hereby.

E. Conditions Precedent. The amendment of the Pooling and Servicing Agreement set forth in Section F hereof is subject to the satisfaction, on or prior to the Removal Date, of the following condition precedent:

The Transferor shall have delivered to the Trustee an Officer's Certificate certifying that (i) as of the Removal Date, all requirements set forth in Section 2.7 of the Pooling and Servicing Agreement for designating Removed Accounts and reconveying the Receivables of such Removed Accounts, whether now existing or hereafter created, have been satisfied, and (ii) each of the representations and warranties made by the Transferor in Section D hereof is true and correct as of the Removal Date. The Trustee may conclusively rely on such Officer's Certificate, shall have no duty to make inquiries with regard to the matters set forth therein and shall incur no liability in so relying.

F. Amendment of the Pooling and Servicing Agreement. The Pooling and Servicing Agreement is hereby amended to provide that all references therein to the "Pooling and Servicing Agreement," to "this Agreement" and "herein" shall be deemed from and after the Removal Date to be a dual reference to the Pooling and Servicing Agreement as supplemented by this Reassignment. Except as expressly amended hereby, all of the representations, warranties, terms, covenants and conditions of the Pooling and Servicing agreement shall remain unamended and shall continue to be, and shall remain, in full force and effect in accordance with its terms and except as expressly provided herein shall not constitute or be deemed to constitute a waiver of compliance with or a consent to non-compliance with any term or provision of the Pooling and Servicing Agreement.

G. Counterparts. This Reassignment may be executed in two or more counterparts, and by different parties on separate counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

H. Governing Law. THIS REASSIGNMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS.

IN WITNESS WHEREOF, the undersigned have caused this Reassignment of Receivables to be duly executed and delivered by their respective duly authorized officers on the day and year first above written.

FINGERHUT RECEIVABLES, INC.

By /s/ Brian M. Szames
Name: Brian M. Szames
Title: President

THE BANK OF NEW YORK (DELAWARE)
as Trustee,

By: /s/ William T. Lewis
Name: William T. Lewis
Title: Senior Vice President

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<CHANGES> 0
<NET-INCOME> (668)
<EPS-BASIC> (3.32)
<EPS-DILUTED> (3.32)
<FN>
<F1>Includes the following:
Supplies and prepaid expenses 269
Deferred income tax assets 255
<F2>Includes the following:
Intangible assets - net 913
Other assets 627
<F3>Includes the following:
Deferred income taxes 1,485
Other liabilities 548
Shareholders' Equity 5,525
<F4>Includes the following:
Interest Income 2
</FN>

</TABLE>