

1,400 To Lose Jobs In Plants' Closure

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The Associated Press

JACKSON, Miss. (AP) — Financially troubled Furniture Brands International is laying off 1,451 workers in northeast Mississippi after filing for Chapter 11 bankruptcy.

The St. Louis, Mo., furniture company designs, manufactures and markets furniture under a variety of notable brand names, including Broyhill and Thomasville.

Its Lane Furniture division operates manufacturing plants in Belden and Saltillo, as well as distribution centers in Verona and Wren and an office in Verona. Furniture Brands employs about 8,900 people globally.

In a one-page letter sent to workers this past week, Furniture Brands Senior Vice President Meredith M. Graham says Lane "continues to be unprofitable" and "we are unsure of our ability to secure a financial solution for Lane."

Chapter 11 bankruptcy protection allows Furniture Brands to reorganize its finances. It filed the bankruptcy petition in Delaware.

Furniture Brands said in a statement that it plans to sell most of its assets, which includes Broyhill, Thomasville, Drexel Heritage, Maitland Smith and others, to investment firm Oaktree Capital Management.

As for Lane, Furniture Brands said it was looking at "sale alternatives" for Lane and said it had received interest from potential buyers. At the same time, Furniture Brands also filed notice with the Mississippi Department of Employment Security.

Tupelo-based Community Development Foundation said it was working with several agencies in the event of layoffs.

CDF and Three Rivers Planning & Development District, through the Mississippi Partnership Local Workforce Investment Area, have applied for a National Emergency Grant to provide training and re-employment services to help workers find new jobs in the community. Workers will receive career counseling assistance, job-search assistance, and on-the-job training, among other re-employment services.

MDES chief of workplace services Gloria Neal said she has contacted Furniture Brands to ask about setting up Rapid Response Services, which provide training and support services. CDF and Three Rivers will coordinate their work with

MDES, as well as Itawamba Community College and other state and local agencies.

"We can meet workers on site, or we can meet off-site," she said. "We're just waiting to hear from the company."

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The recession and its dramatic impact on housing have devastated the furniture industry, including the cluster of manufacturers and distributors found in northeast Mississippi, although conditions generally have turned around as the housing market has seen a recovery in the past couple of years.

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