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# No decision on Ford's <sup>RP</sup> request for <sup>p. 1</sup> SBA help <sup>10/2/92</sup>

There has been no announcement yet on the status of a \$1.4 million loan needed to keep the Charles Ford Co.'s department stores afloat.

"There are still negotiations going on," said Barry Toiv, spokesman for Rep. Leon Panetta, D-Carmel Valley, who is trying to arrange a second Small Business Administration loan that will allow Ford's to restock its stores with new merchandise. "There is nothing final yet."

Panetta said yesterday that he was pressing the agency to make a decision yesterday afternoon. That didn't happen, Toiv indicated this morning.

The Watsonville-based company, which operates three department stores besides its flagship store in Watsonville, has said if it cannot get financial relief from the SBA, it may be forced to liquidate. Panetta said Ford's is seeking a "bridge loan" of about \$1.4 million to enable it to replenish its inventories so it can continue operating while seeking a buyer or new investment.

The SBA lent Ford's \$24 million to rebuild its Watsonville store, which was destroyed in the October 1989 earthquake. The loan was one of the largest such loans in SBA history. In return, the federal agency holds a lien on all the company's properties.