

Burdick's stores file for Chapter 11 protection

Burdick's Sales Company, Inc., an electronics and household appliances retail business, has filed for protection from creditors under Chapter 11.

Dale Burdick, president of the family-owned business, said in a press release that the company's stores in Watsonville, Santa Cruz, Capitola, Monterey and Salinas will remain open.

"All stores are open for business as usual," he said, "and customers are assured that this action will not affect day-to-day operations of the stores."

Chapter 11 provides legal protection from creditors while a business undergoes reorganization and works out a payment plan for its debts.

Burdick said in his release that he is "confident that this action will result in a better and more

efficient company."

Burdick's has been struggling since the 1989 earthquake, which destroyed two of its stores and damaged merchandise in others. Burdick's also had outlets at Ford's department store in Watsonville and at Haber's Furniture in Santa Cruz, both of which were closed due to earthquake damage.

In normal times, the business might have been able to bounce back. But the recession took a second swipe — customers, with less money to spend, came into the stores less frequently.

Durable goods, such as those sold by Burdick's, are often the first thing people stop buying in tough economic times.

Burdick's has been in business for more than 47 years. Its corporate headquarters on Lee Road in Watsonville.