

Ford's asking SBA for help to survive

The, Watsonville-based Charles Ford Co.'s financial difficulties are so severe that without further assistance from the federal Small Business Administration it may not survive.

That was the gist of a memorandum to employees from the company general manager announcing the closure yesterday of another of the company's stores in Atascadero.

Closure of that store, one of the Riley's chain in San Luis Obispo County that once consisted of five stores, leaves only the Riley's in

San Luis Obispo still operating. Besides the flagship store in Watsonville and the lone Riley's, Ford's still operates stores in Half Moon Bay and Pacific Grove.

The latest grim news comes on the heels of the revelation that Ford's is suing its recently resigned president, James C. Vicars, for \$168,598, which the company asserted Vicars paid to himself out of company funds without authorization.

In his memorandum concerning closure of the Atascadero Riley's,

general manager Jack Kenney said the company "continues to be in serious financial difficulty." He said company officials have been "in recent contact with the Small Business Administration Disaster Relief Fund organization and have asked them for a further credit extension, which would allow us to purchase new inventories."

Ford's received a loan of \$24 million from the SBA to rebuild its earthquake-destroyed Watsonville store, reported at the time to be the second-largest loan ever made

by the SBA.

If the SBA grants the company's request, Kenney said, it would "allow us additional time until a buyer or investor can be found."

"In the event the request is denied," Kenney added, "we will be forced to take further actions to reduce costs, and we would have no other choice but to eventually liquidate the company."

Kenney said Rep. Leon Panetta, D-Carmel Valley, has "been especially helpful in trying to assist us with our discussions with the SBA." He also said the mayors of

the communities in which stores are located "have been contacted to help reinforce the seriousness of the situation, and also ask for the SBA to provide more money."

Kenney said the inventory of the Atascadero store would be "distributed to other locations," probably including Watsonville. The Watsonville store has large areas without merchandise. Nobody at the Watsonville store or at the corporate offices located there would comment on the situation today. Efforts to reach Panetta and Wat-

sonville Mayor Oscar Rios were also unsuccessful.

The demise of Ford's would not only be a grievous blow to Watsonville's efforts to revitalize the downtown business district devastated by the 1989 earthquake, but would also bring down the curtain on the city's oldest and most prominent business operation.

In fact, the Charles Ford Co., founded by the man of that name in 1852, is considered to be the oldest continually operating department store in the state of California.