

Jamestown Lounge Going Out Of Business

By MANLEY J. ANDERSON

A 95-year-old Jamestown furniture company will go out of business Tuesday at the end of a two-day public auction of all machinery, equipment, furniture and office furnishings.

The announcement concerning Jamestown Lounge Co., 40 Winsor St., was made today by A. John Conti, who has served as its chief executive since Sept. 1, 1982.

Conti said that efforts by him and other local businessmen to purchase the plant were unsuccessful. He said that if there is a blame to be laid for the failure of their proposal, he feels that it lies with local banks that declined to become involved in a financial package that would have made the purchase possible.

"We went 0-for-6 with the banks," Conti said.

He noted that he considered the risk for the banks to be minimal, with the state Job Development Authority guaranteeing 75 percent of a term loan to buy the industry — in which the proposed new owners would have invested considerable equity.

Conti said the premises will be open

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from 10 a.m. to 4 p.m. Sunday for public inspection of items to be auctioned off Monday and Tuesday. American Industrial Auctioneers Co. of Buffalo is handling the sale, he noted.

The lounge company executive said that even today people are still telephoning to place orders for furniture. He said the value of goods shipped from the company last year totaled \$1.7 million and the company had a payroll of \$750,000 even while involved in bankruptcy proceedings.

Conti said that during 1982, employment at Jamestown Lounge averaged 45 people, and this number declined to 35 jobs recently.

The company official said the doors are expected to be locked after the auction Tuesday, but the Small Business Administration — which owns the property — is expected to try to auction it off the same day.

Manufacturers and Traders Trust Co. sold the Windsor Street buildings in September in a foreclosure sale at its Dunkirk office. The property was purchased by the Small Business Administration for \$175,000 to protect its financial interest in it as collateral on a

loan.

The Chautauqua County Industrial Development Agency lost about \$125,000 as a result of the foreclosure sale. The firm had been recommended by the IDA for a \$137,500 loan to assist in financing a \$388,000 expansion program in August 1979.

The firm was established in 1888 by four former employees of the then Sherman Brothers Co. to manufacture upholstered furniture.

Jamestown Lounge Co. long has been recognized as a manufacturer of quality lines of living room, dining room and bedroom furniture, mostly in solid oak.

The business was bought in November 1978 by Paul H. Combs, formerly a director and vice president-secretary of Chautauqua Hardware Co.

Combs said in late 1981 that the company was getting "a tremendous amount of contract business" and had established a number of showrooms nationally. He said they were intended primarily for architects, designers and interior decorators to demonstrate the company's ability to meet their varied needs.