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Oskar Huber Furniture Exits Bankruptcy

Family-owned furniture selling chain, Oskar Huber Fine Furniture once consisted of nine stores, including three D&D Home Furnishings Inc. outlets that were added to the chain via a merger in 2008. But the economic recession hit the furniture industry hard and in September 2008, Oskar Huber filed for Chapter 11 bankruptcy. Now, 21 months later, the company has emerged from bankruptcy and reopened their doors for business but on a much smaller scale. The furniture seller can't quite be considered a chain of stores anymore because they have reopened with merely two stores, one in Southampton, Bucks County and the other in Ship Bottom, New Jersey. Their once sizable workforce of 220 employees has whittled down to just 15.

The bankruptcy process has not been an easy one. Oskar Huber parted ways with D&D and held a going-out-of-business sale that shocked its most ardent customers – they sold lower end furniture products. But the sale did raise \$3.5 million, money they desperately needed. The bankruptcy proceedings cancelled unsecured debts worth \$14 million while at the same time paid \$1.25 million to certain of those creditors. Oskar Huber has also to settle sales taxes amounting to \$1.2 million over a period of time.

In addition, the bankruptcy process brought about the restructuring of \$3.2 million in real estate loans to be paid over 2 years to First Niagara which had bought over Oskar Huber's secured lender, Harleysville National Bank. The bank was also paid a cash payment of \$2.5 million in at settlement of the bankruptcy action.

The Huber family took out second mortgages to their homes to finance the 2 recently reopened stores. The one in Ship Bottom opened 6 weeks ago and the Southampton one about a week ago. The family also obtained a \$900,000 loan from First Niagara.

To their credit, Oskar Huber had accomplished what very few other companies that filed for bankruptcy had been able to do – come out of it without a change in management or company save for the inevitable restructuring. The minimal workforce of only 15 employees means that the Huber brothers, Ron, Bob, Don and Glenn and their family members now play a more hands-on role in the running of the company. The good thing is that they now get to establish a firsthand relationship with their customers and vendors, something that they hardly did much of when the company was larger.