

# Pluma to close, 950 to be laid-off

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EDEN - Textile manufacturer Pluma, Inc. announced yesterday that it would be closing its Eden plant and laying off 950 workers after attempts to avoid bankruptcy liquidation

of the company, which declared bankruptcy in May 1999, had failed in seeking both new owners and a new lender to underwrite a revolving loan.

"Filing for bankruptcy gave us protection from creditors for a while," says Senior Vice-president for Human Resources Neil Green. "During that time we worked feverishly to successfully reorganize, but our current lender has stated that they are unable to finance us after September, and we regretfully have no option but to cease working."

Bankruptcy liquidation proceedings will take place of the next 13 weeks with workers being laid off as their final job duties are completed.

Pluma Inc. was founded in 1987 by a group of six investors and went public in March of 1998. At its peak the company employed 2300 workers in 16 locations.

Green cited offshore competition as one of the reasons for the companies' downfall.

"There's been a massive move offshore by textile manufacturers, and it's resulted in lower prices at the stores," Green said. "The majority of our product is made in the U.S., and we just couldn't compete."

Green also blamed poor investments, a redesign of the company's computer system that went over budget, and unseasonably warm winters which lessened demand for the company's product.

"You can't really put the blame on any one thing," says Green. "All of it together was what did it."

The loss of jobs will have a significant effect on the local economy. "Most of our employees are from Rockingham and Henry County in Virginia. They won't stop buying groceries,

but they'll be watching their dollars," says Green.

The closing will also effect the area in other ways as well. "We pay over a million dollars in taxes a year," said Green, "and use over one million gallons of water a week."

"They were one of the top 5 users of sewer and water in Eden," says Don Moss, director of Economic Development for the city of Eden. "I'm saddened by their closing, because they were an excellent employer. We worked with them two years ago on an expansion project. They were an excellent member of Eden's corporate family."

Moss says the city's already trying to find new employers for the Eden area. "We've been working with Chamber of Commerce to find large users of sewer and water who will be excellent employers."

"Hopefully someone will come along and purchase the property for a manufacturing facility," says John Grogan, executive director for the Chamber of Commerce. "Those are two really nice pieces of land."