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Biltmore Hats reopens in Guelph after being bought by American company

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GUELPH — The sewing machines are running again at Biltmore Hats.

The iconic Guelph hat maker has been purchased by American hat maker Dorfman Pacific, with plans to keep the manufacturing of the Biltmore brand in Guelph.

Dorfman Pacific purchased the company from Eric Lynes, a Kentucky native who bought Biltmore out of receivership five years ago. Lynes will stay on as manager of the Biltmore division. Terms of the deal were not revealed.

"We've been interested in Biltmore for quite a while. They make a fine product," said Douglas Highsmith, president and CEO of California-based Dorfman Pacific. "Biltmore is a great company. It was just undercapitalized."

Sixteen employees who had been laid off over the past year are now back at work, with hats rolling off the production line at the Morris Street plant. The company's factory outlet store has also reopened.

Lynes said Monday that the deal was finalized last week, with initial talks beginning in July.

"Douglas Highsmith is the owner now. We've talked about moving forward and we've talked about keeping Biltmore in Guelph. That was important," Lynes said.

Dorfman Pacific is an 89-year-old company that consists of a 250,000 square foot distribution facility in Stockton, Cal., and a manufacturing plant in Texas. It makes and distributes a variety of hat brands, including Stetson.

Highsmith confirmed that he plans to keep the manufacturing of Biltmore hats in Guelph.

"I think they could do double the business in the space they have now," he said.

Lynes said he tried to find local investors to help him keep the company afloat, but it didn't work out.

"People that had the funds just didn't have the vision," he said. "It's unfortunate that local people with funds did not recognize that hats are back."

He also said he expects all outstanding debt to be paid off by the end of the month.

While disappointed things didn't work out for him, Lynes is thrilled that a company with the resources of Dorfman Pacific stepped up to the plate.

He said other companies were circling, ready to pick the carcass of Biltmore if it went under. But Dorfman Pacific was positive from the initial discussions and things moved forward quickly.

"People wanted to buy Biltmore name, but none of the other offers we had would have kept Biltmore in Guelph," Lynes said.

Biltmore has been in Guelph since 1919. At its peak in the 1950s it employed around 350 people.

"Douglas Highsmith has vision, he's got an organization with resources and his mind was made up from the first day we talked," Lynes said.

"It was a dark period and there's always light at the end of the tunnel. We kept believing we were going to open this place again and we weren't going to be pushed around or file for bankruptcy."

Lynes said there is a one-year agreement to stay at its current Morris Street location.



Tony Saxon/Guelph Mercury
 Biltmore Hats is up and running again after former owner Eric Lynes, seen here on the shop floor Monday, Sept. 13, 2010, sold the company to American hat maker Dorfman Pacific.