

NATIONAL POST

Be stock rally ready • STOCK MARKET CHALLENGE • TRAINING PLATFORM

Home / News

Search National Post...

Search

Biltmore aims to be back on top

U.S. hat lover unlikely saviour for legendary label

Rick Spence, Financial Post

Published: Monday, April 23, 2007

In a cloak-and-dagger scene in the recent spy flick *The Good Shepherd*, a man's felt hat is turned upside-down, offering a close-up of the legendary label: Biltmore.

Guelph, Ont.-based Biltmore Hats Inc. has been a pillar of the Canadian fashion industry for 90 years. But its cameo in the Matt Damon-Robert DeNiro film could not have come at a better time.

With formal headwear out of style since the Rat Pack took Las Vegas, Biltmore has been on a slide for decades -- and bankrupt twice. Now neophyte owner Eric Lynes is making a last attempt to save the company.

Lynes, 50, is an unlikely saviour for a Canadian icon. An African-American accountant from Louisville, Ky., he's a former auditor for the state and for Toyota Motor Manufacturing, Kentucky Inc. But growing up in the home of the Kentucky Derby, which has always been as much about the spectators' hats as the horses, he learned to love fancy headgear. "My whole family has always worn hats," he says.

Trying to break into the hat industry as a distributor of high quality men's hats, Lynes searched for an U.S. manufacturer -- only to be told "for the quality I was looking for, I had to go to Biltmore in Canada."

Lynes had just inked a 2004 deal to sell Biltmore products, which retail for between \$90 and \$350, when the company went under for the second time. He and a financial partner tried to buy the firm out of receivership, but lost to a Toronto bidder. But when that deal didn't close, Lynes got his prize. The first of many disappointments soon followed.

Lynes' partner pulled out, leaving him to finance the purchase alone. Then, because Biltmore's bankruptcy cost its suppliers a lot of money, he had to pay cash for specialty goods such as felt, leather and trimmings. And while he was settling down in Guelph, and being hailed a local hero, Lynes's loan applications were being rejected by every bank in town. "It boggles my mind that we can't get more assistance from the Canadian banking community," he says.

Story Tools

Change font size

Print this story

E-Mail this story

Share This Story

Facebook

Digg

Stumble Upon

BOOKMARK More

Story tools presented by



Today, Biltmore has a staff of 25, down from more than 100 in its 1950s heyday. "We've cut back to bare bones," says Lynes, who sees better times coming.

For instance, he's producing new styles and attracting more attention from U.S. retailers. He's even changed "the culture of our receivables." Instead of giving retailers six months to pay, Lynes has convinced some to finance their own orders by advancing payments worth up to one-third the orders' value.

Other positive signs: Biltmore's uniform division, which makes the classic "trooper" hats for the RCMP, is signing up new clients, such as the Edmonton police, and talking with several U.S. police forces. Lynes is setting up a U.S. subsidiary to help Biltmore qualify for "minority set-asides," in which governments guarantee a portion of their procurement budgets to companies owned by women, natives and other target groups.

Biltmore has an order backlog worth \$1-million--about twice recent levels. Now, all it needs is the financing to produce it. Lynes is pinning his hopes on Michelin Development (Canada) Inc., a job creation program created last year by Michelin Canada after it closed a 1,000-employee tire plant in nearby Kitchener, Ont.

< 1 2 >

[Get the National Post newspaper delivered to your home](#)

Ads by Google »

How to make electricity

Cut your electricity bill by 80% by simply making electricity at home.
Power4home.com

Kelowna BC Luxury Homes

Custom homes from \$2.5million. Exclusive master planned community.
www.Realestock.com/WoodlandHills

Critical Illness Coverage

Low Cost Critical Illness Insurance. Protect Yourself Financially Now!
www.RightChoiceInsurance.ca

Services: [Privacy](#) | [Terms](#) | [Contact us](#) | [Advertise with us](#) | [FAQ](#) | [Copyright and permissions](#) | [Today's paper](#) | [Digital paper](#) | [Newsletters](#) | [News Feeds](#) | [Subscription services](#) | [Site map](#)

National Post: [Home](#) | [News](#) | [Opinion](#) | [Arts](#) | [Life](#) | [Sports](#) | [Homes](#) | [Cars](#) | [Blogs](#) | [Multimedia](#) | [Classifieds](#)

Financial Post: [Home](#) | [News & Sectors](#) | [Opinion](#) | [Trading Desk](#) | [Markets](#) | [Personal Finance](#) | [Small Business](#) | [MBA](#) | [Careers](#) | [Reports](#) | [FP Magazine](#)

National Post and Financial Post are Part of the  [canada.com Network](#) ([Canada.com Newspapers](#))