

SECURITIES AND EXCHANGE COMMISSION

FORM SC 13D

Schedule filed to report acquisition of beneficial ownership of 5% or more of a class of equity securities

Filing Date: **1996-11-14**
SEC Accession No. **0000914427-96-000089**

([HTML Version](#) on secdatabase.com)

SUBJECT COMPANY

STANLEY FURNITURE CO INC/

CIK: **797465** | IRS No.: **541272589** | State of Incorpor.: **DE** | Fiscal Year End: **1231**
Type: **SC 13D** | Act: **34** | File No.: **005-37720** | Film No.: **96665437**
SIC: **2511** Wood household furniture, (no upholstered)

Mailing Address
*ROUTE 57
STANLEYTOWN VA 24168*

Business Address
*ROUTE 57
STANLEYTOWN VA 24168
7036272000*

FILED BY

LEE THOMAS H ADVISORS I /ADV

CIK: **814600** | IRS No.: **042967291** | State of Incorpor.: **MA** | Fiscal Year End: **1231**
Type: **SC 13D**

Mailing Address
*75 STATE STREET
BOSTON MA 02109*

Business Address
*75 STATE ST
BOSTON MA 02109
6172271050*

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No. 3)*

Stanley Furniture Company, Inc.
(Name of Issuer)

Common Stock, \$.02 par value per share
(Title of Class of Securities)

854305 20 8**
(CUSIP Number)

Steven M. Peck, Esq.
Hutchins, Wheeler & Dittmar, 101 Federal St, Boston, MA 02110 (617) 951-6600
(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

November 13, 1996
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b)(3) or (4), check the following box [].

Check the following box if a fee is being paid with the statement []. (A fee is not required only if the reporting person: (1) has a previous statement on file reporting beneficial ownership of more than five percent of the class of securities described in Item 1; and (2) has filed no amendment subsequent thereto reporting beneficial ownership of five percent or less of such class.) (See Rule 13d-7).

Note: Six copies of this statement, including all exhibits, should be filed with the Commission. See Rule 13d-1(a) for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

** In connection with the one-for-two reverse stock split referred to in Amendment No. 2 to Schedule 13D, this new CUSIP Number was issued. The prior CUSIP Number was 854305 10 9.

SCHEDULE 13D

CUSIP No. 854305 20 8

1. NAME OF REPORTING PERSON - Thomas H. Lee Advisors I
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON -
2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) []
(b) [X]

3. SEC USE ONLY

4. SOURCE OF FUNDS

N/A

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS
2(D) OR 2(E) []

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Massachusetts

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON WITH

7. SOLE VOTING POWER
0

8. SHARED VOTING POWER
1,560,296

9. SOLE DISPOSITIVE POWER
0

10. SHARED DISPOSITIVE POWER
1,560,296

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,560,296

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES []

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

34.1%

14. TYPE OF REPORTING PERSON

OO

SCHEDULE 13D
Amendment No. 3

1. Security and Issuer.

This statement relates to the Common Stock, \$.02 par value per share (the "Common Stock"), of Stanley Furniture Company, Inc., a Delaware corporation ("Stanley"), which has its principal executive offices at Route 57, Stanleytown, Virginia 24168.

2. Identity and Background.

This statement is filed on behalf of (i) the ML-Lee Acquisition Fund, L.P., a Delaware limited partnership (the "Lee Fund") whose business address is World Financial Center, 23rd Floor, 225 Liberty Street, New York, New York 10080, (ii) the ML-Lee Acquisition Fund II, L.P., a Delaware limited partnership (the "Lee Fund II") whose business address is World Financial Center, 23rd Floor, 225 Liberty Street, New York, New York 10080, (iii) the ML-Lee Acquisition Fund (Retirement Accounts) II, L.P., a Delaware limited partnership (the "Lee Fund (RA) II") whose business address is World Financial Center, 23rd Floor, 225 Liberty Street, New York, New York 10080, (iv) C. Hunter Boll whose business address is 75 State Street, Boston, Massachusetts 02109, (v) John W. Childs whose business address is One Federal Street, 21st Floor, Boston, Massachusetts 02110, (vi) David V. Harkins whose business address is 75 State Street, Boston, Massachusetts 02109, (vii) Glenn H. Hutchins whose business address is 345 Park Avenue, New York, New York 10154, (viii) Thomas H. Lee as settlor and sole

beneficiary of the 1989 Thomas H. Lee Nominee Trust, dated 9/29/89 (the "Trust"), whose business address is 75 State Street, Boston, Massachusetts 02109; (ix) Scott A. Schoen whose business address is 75 State Street, Boston, Massachusetts 02109; (x) Thomas R. Shepherd whose business address is 75 State Street, Boston, Massachusetts 02109; (xi) Paxman & Co. whose business address is c/o Charles W. Robins, Esquire, Hutchins, Wheeler & Dittmar, 101 Federal Street, Boston, Massachusetts 02110; (xii) Thomas H. Lee Advisors I ("Advisors I") whose business address is 75 State Street, Boston, Massachusetts 02109; and (xiii) Thomas H. Lee Advisors II, L.P. ("Advisors II") whose business address is 75 State Street, Boston, Massachusetts 02109.

The present principal occupation of each of the reporting persons who is a natural person is set forth on Schedule A hereto. Certain information with respect to the Lee Fund, Lee Fund II, Lee Fund (RA) II, Advisors I and Advisors II is set forth on Schedules B-1 through B-5 hereto.

By his execution hereof, each of the reporting persons confirms that such person has not (and in the case of the partnerships and trust, none of such partnerships' general partners or such trust's trustees has), during the past five years, been convicted in a criminal proceeding (excluding traffic violations and similar misdemeanors).

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By his execution hereof, each of the reporting persons confirms that such person has not (and in the case of partnerships and trust, none of such partnerships' general partners or such trust's trustees has), during the past five years, been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding, was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

3. Source and Amount of Funds or Other Consideration.

Each of the reporting persons received Common Stock as a result of the merger (the "Merger") of Stanley Acquisition Corporation, a Delaware corporation, into Stanley as described in Stanley's Proxy Statement/Prospectus dated October 13, 1992 ("Proxy Statement/Prospectus"). The specific securities exchanged by each of the undersigned and the Common Stock received is set forth on Schedule C hereto.

4. Purpose of the Transaction.

The Common Stock covered by this report was acquired in connection with the Merger described in the Proxy Statement/Prospectus.

By his execution hereof, except as discussed below, each of the reporting persons confirms that, as of the date of this statement, he has no plans or proposals which relate to or would result in any of the following:

(a) The acquisition by any person of additional securities of the issuer, or the disposition of securities of the issuer;

On November 13, 1996 each of the reporting persons and Stanley entered into an Underwriting Agreement (the "Underwriting Agreement") with Dillon, Read & Co., Inc., Raymond James & Associates, Inc. and Wheat, First Securities, Inc., as representatives of the several underwriters (the "Underwriters") named therein. Pursuant to the terms of the Underwriting Agreement, the Selling Stockholders (as defined therein) have agreed to sell an aggregate of 1,000,000 of their shares of Common Stock to the public. The Underwriters have been granted an overallotment option to purchase an additional 150,000 of the Selling Stockholders' shares of Common Stock pursuant to the Underwriting Agreement. To the extent that the Underwriters' overallotment option is not fully exercised and those shares sold to the public, Stanley has agreed to purchase those additional 150,000 shares pursuant to a Stock Purchase Agreement dated November 13, 1996 (the "Stock Purchase Agreement"). The price to be paid by Stanley for any such shares will equal the price to the public net of any amount equal to the underwriting discount that otherwise would have been paid in respect of such shares. Any such repurchase by Stanley would occur promptly following the expiration of the Underwriters' 30-day overallotment option. This Amendment No. 3 to Schedule 13D relates to the sales made by the reporting persons pursuant to the Underwriting Agreement and the Stock Purchase Agreement, as described above.

(b) An extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving the issuer or any of its subsidiaries;

(c) A sale or transfer of a material amount of assets of the issuer or any of its subsidiaries;

(d) Any change in the present board of directors or management of the issuer, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the board;

(e) Any material change in the present capitalization or dividend policy of the issuer;

(f) Any other material change in the issuer's business or corporate structure including but not limited to, if the issuer is a registered closed-end investment company, any plans or proposals to make any changes in its investment policy for which a vote is required by section 13 of the Investment Company Act of 1940;

(g) Changes in the issuer's charter, bylaws or instruments corresponding thereto or other actions which may impede the acquisition of control of the issuer by any person;

(h) Causing a class of securities of the issuer to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association;

(i) A class of equity securities of the issuer becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Act; or

(j) Any action similar to any of those enumerated above.

5. Interest in Securities of Stanley.

Unless indicated otherwise, each of the reporting persons has the sole power to vote or to direct the vote of the shares beneficially owned by such person and the sole power to dispose or to direct the disposition of the shares beneficially owned by such person. Pursuant to the terms of the Underwriting Agreement and the Stock Purchase Agreement described in Item 4 above, the reporting persons have agreed to sell 100% of the holdings of Common Stock of Stanley.

Thomas H. Lee has sole voting and dispositive power with respect to the shares of Common Stock held by the Trust. In addition, the Lee Fund and Advisors I share voting and dispositive power with respect to the shares of Common Stock held by the Lee Fund, and each of the Lee Fund II and the Lee Fund (RA) II share voting and dispositive power with Advisors II with respect to the shares of Common Stock held by each such fund.

The reporting persons own 1,608,319 shares of Common Stock in the aggregate, or 35.1% of the outstanding Common Stock of Stanley. Each of the reporting persons expressly disclaims the existence of a "group" among the reporting persons, within the meaning of Section 13(d) of the Securities Exchange Act of 1934, as amended, and the Rules and Regulations of the Securities Exchange Commission promulgated thereunder, with respect to the beneficial ownership of Common Stock to which this statement relates. The filing of this statement by the reporting persons shall not be deemed to constitute an admission on the part of any of the reporting persons that such a group exists, or that such person is the beneficial owner of any shares of Common Stock not held by it.

6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of Stanley.

Messrs. Childs, Shepherd, Harkins, Hutchins, Schoen and Boll have the right to purchase shares of Stanley Furniture Company, Inc. common stock pursuant to individual option Agreements for the purchase of certain shares of 8% Convertible Preferred Stock of Stanley Holding Corporation executed by each of

Messrs. Childs, Shepherd, Harkins, Hutchins, Schoen and Boll and the 1989 Thomas H. Lee Nominee Trust dated 9/29/89 and Thomas H. Lee. Each of the above referenced Agreements were attached to Schedule 13D filed on behalf of the reporting persons on November 19, 1992 as Exhibits C through H and each is hereby incorporated by reference herein. The number of shares which each of Messrs. Childs, Shepherd, Harkins, Hutchins, Schoen and Boll have the right to purchase pursuant to such Option Agreements is set forth on Schedule D hereto.

Pursuant to orders of the Securities and Exchange Commission under Sections 6(c), 17(d) and 57(i) of the Investment Company Act of 1940 and Rule 17d-1 thereunder issued on September 23, 1987, Investment Company Act Release No. 16,001, and September 1, 1989, Investment Company Act Release No. 17,123, the filing persons named below must participate in the disposition of shares of Common Stock on a proportionate basis and on the same terms and conditions (a "lock-step" disposition), unless any non-lock-step disposition is approved, as set forth in such orders, by the Independent General Partners and the Managing General Partner of each of the ML-Lee Acquisition Fund, L.P., the ML-Lee Acquisition Fund II, L.P. and the ML- Lee Acquisition Fund (Retirement Accounts) II, L.P.:

ML-Lee Acquisition Fund, L.P. ML-Lee Acquisition Fund II, L.P.
ML-Lee Acquisition Fund (Retirement Accounts) II, L.P.
Thomas H. Lee Advisors II, L.P.
Thomas H. Lee Advisors I
John W. Childs
David V. Harkins
C. Hunter Boll
Glenn H. Hutchins
Thomas H. Lee
Scott A. Schoen

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Thomas R. Shepherd
Paxman & Co.

Pursuant to Investment Advisory Agreements dated November 10, 1989, by and among, respectively, ML-Lee Acquisition Fund II, L.P. and ML-Lee Acquisition Fund (Retirement Accounts) II, L.P. (collectively referred to as "Fund II"), and Thomas H. Lee Advisors II, L.P. ("Advisors II"), and Thomas H. Lee Company (the "Fund II Agreements"), Advisors II, subject to the supervision of the Managing General Partner and the Individual General Partners of Fund II, has the exclusive power and authority to make, monitor, manage, control and dispose of Fund II's "Qualified Investments," including its investment in Stanley, so long as each investment, sale, or other disposition by Advisors II on behalf of Fund II is on terms not less favorable in all material respects to any corresponding investments in the same securities of such company by third parties other than management including Advisors II or any affiliate thereof; provided, however, that for any portfolio company which is in default in the performance of a material provision of any lending agreement or for which the ratio of operating cash flow to current fixed charges for the four most recently completed fiscal quarters is less than or equal to 1.1 to 1 (a "troubled company"), so long as such default continues, or such ratio remains less than or equal to 1.1 to 1, any decision to modify the terms or increase the investment therein by Fund II or to dispose of all or a portion of the investment in such company shall only be made with approval by the Managing General Partner and the Independent General Partners. Advisors II is under the control of Thomas H. Lee.

Pursuant to a Management Agreement dated September 14, 1987, by and among ML-Lee Acquisition Fund, L.P. ("Fund I"), Thomas H. Lee Advisors, Inc., and Thomas H. Lee Company, as assigned to and assumed by Thomas H. Lee Advisors I ("Advisors I") as of December 29, 1988 (the "Fund I Agreement"), Advisors I, subject to the supervision of the Managing General Partner and the Individual General Partners of Fund I, has the exclusive power and authority to make, monitor, manage, control and dispose of Fund I's "Qualified Investments," including its investment in Stanley, so long as each investment, sale or other disposition by Advisors I on behalf of Fund I is on terms not less favorable in all material respects to any corresponding investments in the same securities of such company by third parties other than management, including Advisors I or any affiliate thereof; provided, however, that for any portfolio company which is in default in the performance of a material provision of any lending agreement or for which the ratio of operating cash flow to current fixed charges is less than or equal to 1.1 to 1 (a "troubled company"), so long as such default continues,

or such ratio remains less than or equal to 1.1 to 1, any decision to modify the terms of or increase the investment therein by Fund I or to dispose of all or a portion of the investment in such company shall only be made with approval by the Managing General Partner and the Independent General Partners. Advisors I is under the control of Thomas H. Lee.

Each of the reporting persons has entered into the Underwriting Agreement, as described in Item 4 above, pursuant to which the Underwriters will acquire an aggregate of 1,000,000 of the Selling Stockholders' shares of Common Stock, for sale to the public. To the extent that the Underwriters' 30-day overallotment option pursuant to the Underwriting Agreement is not

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exercised, Stanley will repurchase such shares pursuant to the terms of the Stock Purchase Agreement, as described in Item 4 above.

Stanley has also entered into a Registration Rights Agreement dated as of November 9, 1992 with ML-Lee Acquisition Fund, L.P., ML-Lee Acquisition Fund II, L.P., ML-Lee Acquisition Fund (Retirement Accounts) II, L.P., Lee Stockholders (as defined therein) and Management Stockholders (as defined therein).

Except as described herein, there are no contracts, arrangements, understandings or relationships (legal or otherwise) among the persons named in Item 2 and any other person with respect to any securities of Stanley.

7. Material to be Filed as Exhibits.

Exhibit P Underwriting Agreement dated as of November 13, 1996 between Dillon, Read & Co., Inc., Raymond James & Associates, Inc. and Wheat, First Securities, Inc., as representatives of the several underwriters named therein, Stanley, and the Selling Stockholders (as defined therein) (incorporated by reference to Exhibit 1.1 to Stanley's Registration Statement on Form S-3 No. 333-14063).

Exhibit Q Stock Purchase Agreement dated as of November 13, 1996 among Stanley and the Selling Stockholders (as defined therein) (incorporated by reference to Exhibit 99.1 to Stanley's Registration Statement on Form S-3 No. 333- 14063).

Exhibit R Registration Rights Agreement dated as of November 9, 1992 by and among Stanley, ML-Lee Acquisition Fund, L.P., ML-Lee Acquisition Fund II, L.P., ML-Lee Acquisition Fund (Retirement Accounts) II, L.P., Lee Stockholders (as defined therein) and Management Stockholders (as defined therein) (incorporated by reference to Exhibit 4.3 to Stanley's Registration Statement on form S-1 No. 33-57432).

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Schedule A

<TABLE>
<CAPTION>

Name and Title	Business Address	Principal Occupation
<S>	<C>	<C>
C. Hunter Boll	See Schedule B-2	See Schedule B-2
John W. Childs	See Schedule B-2	See Schedule B-2
David V. Harkins	See Schedule B-2	See Schedule B-2
Scott A. Schoen	See Schedule B-2	See Schedule B-2
Thomas R. Shepherd	See Schedule B-2	See Schedule B-2
Glenn H. Hutchins Senior Managing Director	Blackstone Group LP 345 Park Avenue New York, NY 10154	Mr. Hutchins is currently Senior Managing Director of The Blackstone Group, a private investment bank engaged in friendly principal investments, mergers and acquisitions.

Schedule B-1.

CERTAIN INFORMATION CONCERNING ML-LEE ACQUISITION FUND, L.P.

Set forth below is the name, business or residence address, and present principal occupation or employment of the general partners of ML-Lee Acquisition Fund, L.P. (the "Lee Fund "), a Delaware limited partnership which has elected to be a Business Development Company under the Investment Company Act of 1940. The principal executive offices of the Lee Fund are located at World Financial Center, South Tower, New York, New York 10080. The Lee Fund is engaged in the business of holding and owning securities. Each individual listed below is a citizen of the United States.

<TABLE>
<CAPTION>

	Name and Title <S>	Business Address <C>	Principal Occupation <C>
1.	Thomas H. Lee Individual General Partner	Thomas H. Lee Company 75 State Street Boston, MA 02109	Individual General Partner of the Lee Fund, ML-Lee Acquisition Fund II, L.P. (the "Lee Fund II") and ML-Lee Acquisition Fund (Retirement Accounts) II, L.P. (the "Lee Fund (RA) II"; and together with the Lee Fund II, the "New Funds"; and together with the Lee Fund and the Lee Fund II, the "Funds"). Chairman of the Investment Adviser of the Lee Fund; Chairman of the Administrative General Partner of the Investment Adviser to the New Funds; Chairman of the Administrative General Partner of Thomas H. Lee Equity Partners L.P., Founder of the Thomas H. Lee Company (the "Lee Company") and its President since 1974.
2.	Vernon R. Alden Individual General Partner	420 Boylston Street Suite 403 Boston, MA 02116	Individual General Partner of each of the Funds.

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	Name and Title	Business Address	Principal Occupation
3.	Joseph L. Bower Individual General Partner	Harvard University Graduate School of Business Administration Boston, MA 02163	Individual General Partner of each of the Funds. Donald Kirk David Professor of Business Administration, Harvard University Graduate School of Business Administration. Faculty member since 1963.
4.	Stanley H. Feldberg Individual General Partner	One Sanderling Court Hilton Head, SC 29926	Individual General Partner of each of the Funds.
5.	Mezzanine Investments, L.P., a Delaware limited partnership; Managing General Partner	c/o ML Mezzanine Inc. World Financial Center, South Tower New York, New York 10080	Managing General Partner of the Lee Fund since 1987 and engaged in no other activities at this point in time.
A.	ML Mezzanine Inc., a Delaware corporation. Sole General Partner of Mezzanine	World Financial Center, South Tower New York, New York 10080	ML Mezzanine Inc. is the general partner of Mezzanine Investments, L.P., the Lee Fund's Managing General Partner.

Directors and Officers of
ML Mezzanine Inc.

Kevin K. Albert
Chairman, President,
and Director
Managing General
Partner

World Financial
Center
North Tower
New York, New York
10281

Vice President and a Managing
Director of the Investment Banking
Group ("ML Investment Banking") of
Merrill Lynch, Pierce, Fenner &
Smith Incorporated ("MLPF&S").

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Mr. Albert is the manager of the
Equity Private Placement Group of
ML Investment Banking and is involved
in structuring, marketing and closing a
diversified array of private equity
financings including common stock,
preferred stock, limited partnership
interests and other equity-related
securities.

James V. Caruso
Executive Vice
President and
Director

World Financial
Center
South Tower
New York, New York
10080

Director of ML Investment Banking.
Since June 1992, Mr. Caruso has
served as Manager of MLPF&S's
Partnership Analysis and Management
Department, (the "Partnership Management
Department"), which is responsible for
accounting and the ongoing administration
and operations of more than 150 investment
limited partnerships as well as the MLPF&S
affiliated entities that manage or
administer such partnerships.
Mr. Caruso serves as a director of ML
Mezzanine II Inc.

Robert F. Aufenanger
Executive Vice
President and
Director

World Financial
Center
South Tower
New York, New York
10080

Vice President of Merrill Lynch &
Co., Corporate Vice President, Credit
and a Director of the Partnership
Director Management Department.
Mr. Aufenanger is responsible for the
ongoing management of the
operations of the equipment and
project-related limited partnerships
for which subsidiaries of ML Leasing
Equipment Corp., an affiliate
of the Managing General
Partner, are general partners.

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Rosalie Y. Goldberg
Vice President and
Director

World Financial
Center
South Tower
New York, New York
10080

Vice President of MLPF&S Private
Client Director Group. Ms. Goldberg
also is Manager of the MLPF&S
Special Investments Group, a vice
president and a director of ML
Mezzanine II Inc.

Audrey L. Bommer
Vice President and
Treasurer

World Financial
Center
South Tower
New York, New York
10080

Joined ML Investment Banking in
1994 and serves as Treasurer and chief
financial officer to the Funds. Ms.
Bommer manages all financial
reporting, accounting, ministerial and
administrative services in the
Partnership Management Department.
Ms. Bommer also serves as Vice
President and Treasurer of ML
Mezzanine II and ML Fund
Administrators.

Roger F. Castoral, Jr.

World Financial

Joined ML Investment Banking in

Assistant Treasurer

Center
South Tower
New York, New York
10080

1995 and serves as Assistant Treasurer to the Funds. Mr. Castoral is responsible for fund accounting and financial reporting functions in the Partnership Management Department. Mr. Castoral also serves as Assistant Treasurer of ML Mezzanine II and ML Fund Administrators.

</TABLE>

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Schedule B-2.

CERTAIN INFORMATION CONCERNING THOMAS H. LEE ADVISORS I

Set forth below is the name, business address, and present principal occupation or employment of each director and executive officer of Thomas H. Lee Advisors I ("Advisors I"), a Massachusetts business trust with its principal executive offices located at 75 State Street, Boston, Massachusetts, 02109. Advisors I is the Investment Adviser to ML-Lee Acquisition Fund, L.P. (the "Lee Fund"). Each individual listed below is a citizen of the United States.

<TABLE>

<CAPTION>

	Name and Title	Business Address	Principal Occupation
<S>	<C>	<C>	<C>
1.	Thomas H. Lee Chairman and Trustee	See Schedule B-1	See Schedule B-1
2.	John W. Childs President and Trustee	One Federal Street Boston, MA 02110	President of J.W. Childs Associates, L.P., an investment management company.
3.	Thomas R. Shepherd Executive Vice President	Thomas H. Lee Company 75 State Street Boston, MA 02109	Managing Director of the Lee Company.
4.	David V. Harkins Senior Vice President and Trustee	Thomas H. Lee Company 75 State Street Boston, MA 02109	Managing Director of the Lee Company.

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5.	C. Hunter Boll Vice President	Thomas H. Lee Company 75 State Street Boston, MA 02109	Managing Director of the Lee Company.
6.	Scott A. Schoen Vice President	Thomas H. Lee Company 75 State Street Boston, MA 02109	Managing Director of the Lee Company.. Vice President of T.H. Lee Mezzanine II.
7.	Wendy L. Masler Treasurer and Clerk	Thomas H. Lee Company 75 State Street Boston, MA 02109	Senior Vice President and Treasurer of the Lee Company. Treasurer and Clerk of T.H. Lee Mezzanine II.

</TABLE>

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Schedule B-3.

CERTAIN INFORMATION CONCERNING ML-LEE ACQUISITION FUND II, L.P.

Set forth below is the name, business or residence address, and principal occupation or employment of the general partners of ML-Lee Acquisition Fund II, L.P. (the "Lee Fund II"), a Delaware limited partnership which has elected to be a Business Development Company under the Investment Company Act of 1940. The principal executive offices of the Lee Fund II are located at World Financial Center, South Tower, New York, New York 10080. The Lee Fund II is engaged in the business of holding and owning securities. Each individual listed below is a citizen of the United States.

<TABLE>

<CAPTION>

	Name and Title	Business Address	Principal Occupation
<S>	<C>	<C>	<C>
1.	Thomas H. Lee Individual General Partner	See Schedule B-1	See Schedule B-1
2.	Vernon R. Alden Individual General Partner	See Schedule B-1	See Schedule B-1
3.	Joseph L. Bower Individual General Partner	See Schedule B-1	See Schedule B-1
4.	Stanley H. Feldberg Individual General Partner	See Schedule B-1	See Schedule B-1
5.	Mezzanine Investments II, L.P., a Delaware limited partnership; Managing General Partner	World Financial Center, South Tower New York, New York 10080	Managing General Partner to the Lee Fund II and the Lee Fund (RA) II.

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A.	ML Mezzanine II Inc., a Delaware corporation. Sole General Partner of Mezzanine Investments II, L.P.	World Financial Center, South Tower New York, New York 10080	ML Mezzanine II Inc. is the general partner of Mezzanine Investments II, L.P., the Lee Fund II's and the Lee Fund (RA) II's Managing General Partner.
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Directors and Officers of
ML Mezzanine II Inc.

i.	Kevin K. Albert Chairman, President and Director	See Schedule B-1	See Schedule B-1
ii.	James V. Caruso Executive Vice President and Director	See Schedule B-1	See Schedule B-1
iii.	Robert F. Aufenanger Executive Vice President and Director	See Schedule B-1	See Schedule B-1
iv.	Rosalie Y. Goldberg Vice President and Director	See Schedule B-1	See Schedule B-1
v.	Audrey L. Bommer Vice President and Treasurer	See Schedule B-1	See Schedule B-1
vi.	Roger F. Castoral, Jr. Assistant Treasurer	See Schedule B-1	See Schedule B-1

</TABLE>

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Set forth below is the name, business or residence address, and principal occupation or employment of the general partners of ML-Lee Acquisition Fund (Retirement Accounts) II, L.P. (the "Lee Fund (RA) II"), a Delaware limited partnership which has elected to be a Business Development Company under the Investment Company Act of 1940. The principal executive offices of the Lee Fund (RA) II are located at World Financial Center, South Tower, New York, New York 10080. The Lee Fund (RA) II is engaged in the business of holding and owning securities. Each individual listed below is a citizen of the United States.

<TABLE>

<CAPTION>

	Name and Title	Business Address	Principal Occupation
<S>	<C>	<C>	<C>
1.	Thomas H. Lee Individual General Partner	See Schedule B-1	See Schedule B-1
2.	Vernon R. Alden Individual General Partner	See Schedule B-1	See Schedule B-1
3.	Joseph L. Bower Individual General Partner	See Schedule B-1	See Schedule B-1
4.	Stanley H. Feldberg Individual General Partner	See Schedule B-1	See Schedule B-1
5.	Mezzanine Investments II, L.P., a Delaware limited partnership; Managing General Partner	See Schedule B-3	See Schedule B-3

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A.	ML Mezzanine II Inc., a Delaware corporation. Sole General Partner of Mezzanine Investments, II, L.P.	See Schedule B-3	See Schedule B-3
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Directors and Officers of
ML Mezzanine II Inc.

i.	Kevin K. Albert Chairman, President and Director	See Schedule B-1	See Schedule B-1
ii.	James V. Caruso Executive Vice President and Director	See Schedule B-1	See Schedule B-1
iii.	Robert F. Aufenanger Executive Vice President and Director	See Schedule B-1	See Schedule B-1
iv.	Rosalie Y. Goldberg Vice President and Director	See Schedule B-1	See Schedule B-1
v.	Audrey L. Bommer Vice President and Treasurer	See Schedule B-1	See Schedule B-1

vi. Roger F. Castoral, Jr. See Schedule B-1 See Schedule B-1
Assistant Treasurer

</TABLE>

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Schedule B-5.

CERTAIN INFORMATION CONCERNING THOMAS H. LEE ADVISORS II, L.P.

Set forth below is the name, business address, and present principal occupation or employment of each director and executive officer of Thomas H. Lee Advisors II, L.P. ("Advisors II"), a Delaware Limited Partnership with its principal executive offices located at 75 State Street, Boston, Massachusetts, 02109. Advisors II is the Investment Adviser to ML-Lee Acquisition Fund II, L.P. (the "Lee Fund II") and ML-Lee Acquisition Fund (Retirement Accounts) II, L.P. (the "Lee Fund (RA) II"). Each individual listed below is a citizen of the United States.

<TABLE>

<CAPTION>

	Name and Title	Business Address	Principal Occupation
<S>	<C>	<C>	<C>
1.	Thomas H. Lee Individual General Partner	See Schedule B-1	See Schedule B-1
2.	T.H. Lee Mezzanine II, a Massachusetts Business Trust, Administrative General Partner	Thomas H. Lee Company 75 State Street Boston, MA 02109	Performs administrative services on behalf of Advisors II.
A.	Thomas H. Lee Chairman, Trustee	See Schedule B-1	See Schedule B-1
B.	John W. Childs President, Trustee	See Schedule B-2	See Schedule B-2
C.	Thomas R. Shepherd Executive Vice President	See Schedule B-2	See Schedule B-2
D.	David V. Harkins Senior Vice President, Trustee	See Schedule B-2	See Schedule B-2
E.	C. Hunter Boll Vice President	See Schedule B-2	See Schedule B-2
F.	Scott A. Schoen Vice President	See Schedule B-2	See Schedule B-2
G.	Wendy L. Masler Treasurer and Clerk	See Schedule B-2	See Schedule B-2

</TABLE>

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Schedule C

<TABLE>

<CAPTION>

Name	Shares of Securities Exchanged	Common Stock Received
<S>	<C>	<C>
ML-LEE ACQUISITION FUND, L.P.	\$21.4 million principal amount of Stanley 14% Subordinated Notes	3,330,116

	30,000 shares of Stanley Holding Corporation 8% Senior Convertible Preferred Stock ("Holding 8% Preferred Stock")	464,860
	100,000 shares of Stanley 14% Senior Preferred Stock	1,556,129
THOMAS H. LEE ADVISORS I	\$21.4 million principal amount of Stanley 14% Subordinated Notes	3,330,116
	30,000 shares of Holding 8% Preferred Stock	464,860
	100,000 shares of Stanley 14% Senior Preferred Stock	1,556,129
ML-LEE ACQUISITION FUND II, L.P.	802,312 shares of Stanley 10% Cumulative Redeemable Preferred Stock ("Stanley 10% Preferred Stock")	46,211
ML-LEE ACQUISITION FUND (RETIREMENT ACCOUNTS) II, L.P.	642,776 shares of Stanley 10% Preferred Stock	37,022

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THOMAS H. LEE ADVISORS II, L.P.	802,312 shares of Stanley 10% Preferred Stock	46,211
	642,776 shares of Stanley 10% Preferred Stock	37,022
Thomas H. Lee as settlor and sole beneficiary of the 1989 Thomas H. Lee Nominee Trust, Dated 9/29/89	3,925 shares of Holding 8% Preferred Stock	60,819
C. Hunter Boll	100 shares of Holding 8% Preferred Stock	1,549
John W. Childs	250 shares of Holding 8% Preferred Stock	3,873
David V. Harkins	166.67 shares of Holding 8% Preferred Stock	2,582
Glenn H. Hutchins	166.67 shares of Holding 8% Preferred Stock	2,582
Scott A. Schoen	100 shares of Holding 8% Preferred Stock	1,549
Thomas R. Shepherd	83.33 shares of Holding 8% Preferred Stock	1,291
Paxman & Co.	208.33 shares of Holding 8% Preferred Stock	3,228

</TABLE>

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Schedule D

The following chart summarizes the number of shares of Stanley Furniture Company, Inc. purchasable by the named individuals listed below pursuant to option agreements, for the purchase of shares of 8% Convertible Preferred Stock of Stanley Holding Corporation, executed among the named individuals, the 1989 Thomas H. Lee Nominee Trust dated 9/29/89 and Thomas H. Lee.

<TABLE>
<CAPTION>

Individual	Option Exercise Price for Stanley Furniture Company, Inc. Common Stock	Number of Shares of Stanley Furniture Company, Inc. Common Stock Purchasable Within 60 Days
<S>	<C>	<C>
John W. Childs	\$12.91	1,936
Thomas R. Shepherd	\$12.91	645
Glenn H. Hutchins	\$12.91	1,291
David V. Harkins	\$12.91	1,291
C. Hunter Boll	\$12.91	774
Scott A. Schoen	\$12.91	774

</TABLE>

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Signatures

After reasonable inquiry and to the best of knowledge and belief of each of the undersigned, such person certifies that the information set forth in this Statement with respect to such person is true, complete and correct.

Dated: November 14, 1996

ML-LEE ACQUISITION FUND, L.P.

By: MEZZANINE INVESTMENTS, L.P.
Managing General Partner

By: ML MEZZANINE INC.,
General Partner

By: s/ Audrey L. Bommer
Name: Audrey L. Bommer
Title: Vice-President and Treasurer

ML-LEE ACQUISITION FUND II, L.P.

By: MEZZANINE INVESTMENTS II, L.P.,
Managing General Partner

By: ML MEZZANINE II INC.,
General Partner

By: s/ Audrey L. Bommer
Name: Audrey L. Bommer
Title: Vice-President and Treasurer

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ML-LEE ACQUISITION FUND
(RETIREMENT ACCOUNTS) II, L.P.

By: MEZZANINE INVESTMENTS II, L.P.,
Managing General Partner

By: ML MEZZANINE II INC.,
General Partner

By: s/ Audrey L. Bommer
Name: Audrey L. Bommer
Title: Vice-President and Treasurer

Thomas H. Lee Advisors I

By: s/ David V. Harkins
Name: David V. Harkins

Title: Senior Vice President

Thomas H. Lee Advisors II, L.P.

By: Thomas H. Lee Mezzanine
Administrative General Partner

By: s/ David V. Harkins
Name: David V. Harkins
Title: Senior Vice President

s/ C. Hunter Boll*
C. Hunter Boll

s/ John W. Childs*
John W. Childs

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s/ David V. Harkins
David V. Harkins

s/ Glenn H. Hutchins*
Glenn H. Hutchins

State Street Bank and Trust Company of
Connecticut, N.A., Not Individually, But
As Trustee for the 1989 Thomas H. Lee
Nominee Trust, Dated 9/29/89, as amended

By:s/ Thomas H. Lee*
Thomas H. Lee, as settlor and sole
beneficiary of the 1989 Thomas H. Lee
Nominee Trust dated September 29,
1989, as amended

s/ Scott A. Schoen*
Scott A. Schoen

s/ Thomas R. Shepherd*
Thomas R. Shepherd

PAXMAN & CO.

By: s/ Adrienne Smith
Name: Adrienne Smith
Title: Partner

* By: s/ David V. Harkins
David V. Harkins
Attorney-in-Fact

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