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

Form 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 28, 2015

or

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission file number: 0-14938

STANLEY FURNITURE COMPANY, INC.

(Exact name of registrant as specified in its charter)

Delaware	**54-1272589**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

200 North Hamilton Street, No. 200, High Point, North Carolina, 27260
(Address of principal executive offices, Zip Code)

336-884-7701
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes (X) No ( )

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes (X) No ( )

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act, (check one):
Large accelerated filer ( ) Accelerated filer () Non-accelerated filer () Smaller reporting company (X)
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).Yes ( ) No (X)

As of May 1, 2015, 14,957,915 shares of common stock of Stanley Furniture Company, Inc., par value $.02 per share, were outstanding.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

STANLEY FURNITURE COMPANY, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)
(unaudited)

	March 28, 2015	December 31, 2014
ASSETS		
Current assets:		
Cash	**$ 5,793**	$ 5,584
Restricted cash	**1,190**	1,190
Accounts receivable, less allowances of $339 and $375	**6,668**	5,853
Inventories:		
Finished goods	**22,872**	23,935
Work-in-process	**148**	268
Raw materials	**33**	13
Total inventories	**23,053**	24,216
Assets of discontinued operations	**295**	1,373
Prepaid expenses and other current assets	**803**	890
Deferred income taxes	**49**	66
Total current assets	**37,851**	39,172
Property, plant and equipment, net	**1,944**	1,990
Cash surrender value of life insurance policies, net	**17,023**	15,129
Other assets	**3,360**	3,416
Total assets	**$ 60,178**	$ 59,707
LIABILITIES		
Current liabilities:		
Accounts payable	**$ 4,700**	$ 6,425
Liabilities of discontinued operations	**6**	93
Accrued salaries, wages and benefits	**1,625**	1,738
Other accrued expenses	**1,233**	1,437
Total current liabilities	**7,564**	9,693
Deferred income taxes	**49**	66
Pension plans	**6,492**	6,936
Other long-term liabilities	**2,206**	2,033
Total liabilities	**16,311**	18,728
STOCKHOLDERS' EQUITY		
Common stock, $.02 par value, 25,000,000 shares authorized, 14,957,915 and 14,780,326 shares issued and outstanding	**283**	283
Capital in excess of par value	**16,936**	16,710
Retained earnings	**29,338**	26,683
Accumulated other comprehensive loss	**(2,690)**	(2,697)
Total stockholders' equity	**43,867**	40,979
Total liabilities and stockholders' equity	**$ 60,178**	$ 59,707

The accompanying notes are an integral part of the consolidated financial statements.

STANLEY FURNITURE COMPANY, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)
(unaudited)

	Three Months Ended	
	March 28, 2015	March 29, 2014
Net sales	**$ 14,672**	$ 14,642
Cost of sales	**11,689**	11,704
Gross profit	**2,983**	2,938
Selling, general and administrative expenses	**3,646**	4,278
Operating loss	**(663)**	(1,340)
Income from Continued Dumping and Subsidy Offset Act, net	**3,820**	-
Other income, net	**11**	331
Interest expense, net	**330**	726
Income (loss) from continuing operations before income taxes	**2,838**	(1,735)
Income tax expense (benefit)	**65**	(10)
Net income (loss) from continuing operations	**2,773**	(1,725)
Net loss from discontinued operations	**(118)**	(2,901)
Net income (loss)	**$ 2,655**	$ (4,626)
Basic income (loss) per share:		
Income (loss) from continuing operations	**$ .20**	$ (.12)
Loss from discontinued operations	**(.01)**	(.21)
Net income (loss)	**$ .19**	$ (.33)
Diluted income (loss) per share:		
Income (loss) from continuing operations	**$ .19**	$ (.12)
Loss from discontinued operations	**(.01)**	(.21)
Net income (loss)	**$ .18**	$ (.33)
Weighted average shares outstanding:		
Basic	**14,236**	14,163
Diluted	**14,464**	14,163

The accompanying notes are an integral part of the consolidated financial statements.

STANLEY FURNITURE COMPANY, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in thousands)
(unaudited)

	Three Months Ended	
	March 28, 2015	March 29, 2014
Net income (loss)	**$ 2,655**	$ (4,626)
Other comprehensive income (loss):		
Amortization of prior service cost	**23**	38
Amortization of actuarial loss	**(30)**	(18)
Adjustments to net periodic postretirement benefit cost	**(7)**	20
Comprehensive income (loss)	**$ 2,662**	$ (4,646)

The accompanying notes are an integral part of the consolidated financial statements.

STANLEY FURNITURE COMPANY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Three Months Ended	
	March 28, 2015	March 29, 2014
Cash flows from operating activities:		
Cash received from customers	**$ 13,876**	$ 13,480
Cash paid to suppliers and employees	**(16,562)**	(15,274)
Cash from Continued Dumping and Subsidy Offset Act	**3,820**	-
Interest (paid) received, net	**(398)**	3
Net cash provided (used) by operating activities	**736**	(1,791)
Cash flows from investing activities:		
Sale of short-term securities	**-**	5,000
Purchase of other assets	**-**	(44)
Net cash provided by investing activities	**-**	4,956
Cash flows from financing activities:		
Payments on insurance policy loans	**(1,400)**	-
Net cash used by financing activities	**(1,400)**	-
Cash flows from discontinued operations:		
Cash provided (used) by operating activities	**873**	(400)
Cash used by investing activities	**-**	(19)
Net cash provided (used) by discontinued operations	**873**	(419)
Net increase in cash	**209**	2,746
Cash at beginning of period	**5,584**	7,218
Cash at end of period	**$ 5,793**	$ 9,964
Reconciliation of net loss to net cash provided (used) by operating activities:		
Net income (loss)	**$ 2,655**	$ (4,626)
Loss from discontinued operations	**118**	2,901
Depreciation and amortization	**116**	151
Stock-based compensation	**226**	223
Changes in assets and liabilities:		
Accounts receivable	**(815)**	(1,437)
Inventories	**1,163**	94
Prepaid expenses and other assets	**(406)**	1,149
Accounts payable	**(1,725)**	78
Accrued salaries, wages and benefits	**(121)**	12
Other accrued expenses	**(204)**	75
Other long-term liabilities	**(271)**	(411)
Net cash provided (used) by operating activities	**$ 736**	$ (1,791)

The accompanying notes are an integral part of the consolidated financial statements.

(in thousands, except per share data)

1. Preparation of Interim Unaudited Consolidated Financial Statements

The consolidated financial statements have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC"). In our opinion, these statements include all adjustments necessary for a fair presentation of the results of all interim periods reported herein. All such adjustments are of a normal recurring nature. Certain information and footnote disclosures prepared in accordance with generally accepted accounting principles have been either condensed or omitted pursuant to SEC rules and regulations. However, we believe that the disclosures made are adequate for a fair presentation of results of operations and financial position. Operating results for the interim periods reported herein may not be indicative of the results expected for the year. We suggest that these consolidated financial statements be read in conjunction with the consolidated financial statements and accompanying notes included in our latest Annual Report on Form 10-K.

Results of the discontinued operations are excluded from the accompanying notes to the consolidated financial statements for all periods presented, unless otherwise noted.

2. Property, Plant and Equipment

	March 28, 2015	December 31, 2014
Machinery and equipment	**$ 3,883**	$ 3,883
Leasehold improvements	**1,833**	1,833
Property, plant and equipment, at cost	**5,716**	5,716
Less accumulated depreciation	**3,772**	3,726
Property, plant and equipment, net	**$ 1,944**	$ 1,990

3. Income taxes

During the first three months of 2015, we utilized $2.4 million of our net operating loss carry-forwards against income from the Continued Dumping and Subsidy Offset Act distributed by U.S. Customs and Border Protection in March of this year (see Note 7). The income tax expense recognized during the current three month period is primarily generated from the federal alternative minimum tax. The alternative minimum tax limits our ability to offset income generated during the period with net operating carry-forwards. During the first three months of 2015, we reduced our valuation allowance against deferred tax assets from $21.7 million to $20.9 million at March 28, 2015.

We maintain a valuation allowance against deferred tax assets that currently exceed our deferred tax liabilities. The primary assets covered by this valuation allowance are net operating loss carry-forwards. The valuation allowance was calculated in accordance with the provisions of ASC 740, *Income Taxes*, which requires an assessment of both positive and negative evidence when measuring the need for a valuation allowance. Our results over the most recent three-year period were heavily affected by our business restructuring activities. Our cumulative loss in the most recent three-year period, in our view, represented sufficient negative evidence to require a valuation allowance under the provisions of ASC 740, *Income Taxes*. We intend to maintain a valuation allowance until sufficient positive evidence exists to support its reversal. Although realization is not assured, we have concluded that the remaining net deferred tax asset in the amount of $49 will be realized based on the reversal of existing deferred tax liabilities. The amount of the deferred tax assets actually realized, however, could vary if there are differences in the timing or amount of future reversals of existing deferred tax liabilities. Should we determine that we will not be able to realize all or part of our deferred tax asset in the future, an adjustment to the deferred tax asset will be charged to income in the period such determination is made.

Our effective tax rate for the current quarter was 2.2%, driven by the impact of the alternative minimum tax outlined above. The effective tax rate in the prior year quarter was essentially zero since we had established a valuation allowance for our deferred tax assets in excess of our deferred tax liabilities. The major reconciling items between our effective income tax rate and the federal statutory rate are the change in our valuation allowance and the cash surrender value on life insurance policies.

STANLEY FURNITURE COMPANY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(in thousands, except per share data)
(unaudited)

4. Employee Benefit Plans

Components of other postretirement benefit cost:

	Three Months Ended	
	March 28, 2015	March 29, 2014
Interest cost	**$ 70**	$ 75
Amortization of prior service benefit	**(23)**	(38)
Amortization of actuarial loss	**30**	18
Net periodic postretirement benefit cost	**$ 77**	$ 55

5. Stockholders' Equity

Basic earnings per common share are based upon the weighted average shares outstanding. Outstanding stock options and restricted stock are treated as potential common stock for purposes of computing diluted earnings per share. Basic and diluted earnings per share are calculated using the following share data:

	Three Months Ended	
	March 28, 2015	March 29, 2014
Weighted average shares outstanding for basic calculation	**14,236**	14,163
Add: Effect of dilutive stock options	**228**	-
Weighted average shares outstanding, adjusted for diluted calculation	**14,464**	14,163

In the three month period ended March 28, 2015, approximately 926 stock options were excluded from the diluted per share calculation as they would be anti-dilutive. In the 2014 first quarter period, the dilutive effect of stock options is not recognized since we had a net loss. Approximately 1.8 million shares in 2014 were issuable upon the exercise of stock options, which were not included in the diluted per share calculation because they were anti-dilutive. Also, 677 shares in 2014 of restricted stock were not included because they were anti-dilutive.

A reconciliation of the activity in Stockholders' Equity accounts for the quarter ended March 28, 2015 is as follows:

	Common Stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss
Balance at December 31, 2014	$ 283	$16,710	$26,683	$ (2,697)
Net income			**2,655**	
Stock-based compensation		**226**		
Adjustment to net periodic benefit cost				**7**
Balance at March 28, 2015	**$ 283**	**$16,936**	**$29,338**	**$ (2,690)**

(in thousands, except per share data)

6. Restructuring and Related Charges

During 2014, we completed the exit of our Stanleytown warehouse facility and took a charge for the remaining payments on the lease, which expires in December 2015.

During 2013, we recorded restructuring charges in selling, general and administrative expenses for severance and relocation costs associated with the consolidation of our corporate office and High Point showroom into a single multi-purpose facility. All of these expenses were paid out in 2014.

Restructuring accrual activity for the three months ending March 28, 2015 was as follows:

	Lease Obligations
Accrual at January 1, 2015	$ 480
Charges to expense	-
Cash payments	**(120)**
Accrual at March 28, 2015	**$ 360**

Restructuring accrual activity for the three months ending March 29, 2014 was as follows:

	Lease Obligations	Severance and other termination costs	Total
Accrual at January 1, 2014	$ 488	$ 169	$ 657
Charges to expense	-	-	-
Cash payments	(61)	(104)	(165)
Accrual at March 29, 2014	$ 427	$ 65	$ 492

The restructuring accrual is classified as "Other accrued expenses".

7. Income from Continued Dumping and Subsidy Offset Act (CDSOA)

We recorded income of $3.8 million in March 2015 from CDSOA distributions previously withheld by Customs pending resolution of non-supporting producers' claims seeking to share in these distributions. No funds were received in the prior year. Subsequent to the quarter end, we received additional distributions of $1.1 million from the previously withheld funds.

8. Discontinued Operations

During the second quarter of 2014, we concluded that revenue on our Young America product line remained below the level needed to reach profitability and that the time frame needed to assure sustainable profitability was longer than we felt was economically justified. Therefore, we made the decision to cease manufacturing operations at our Robbinsville, North Carolina facility and sell the related assets of this facility. Manufacturing operations were ceased in the third quarter of 2014 and as a result this product line was reflected as a discontinued operation pursuant to the provisions of Accounting Standards Update No. 2014-08, *Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity* (ASU 2014-08) for all periods presented.

(in thousands, except per share data)

8. Discontinued Operations (continued)

Loss from discontinued operations, net of taxes, comprised the following:

	Three Months Ended	
	March 28, 2015	March 29, 2014
Net sales	**$ 207**	$ 7,249
Cost of sales	**393**	9,010
Selling, general and administrative expenses	**(68)**	1,140
Loss from discontinued operations before income taxes	**(118)**	(2,901)
Income tax	**-**	-
Loss from discontinued operations, net of income taxes	**$ (118)**	$ (2,901)

Loss from discontinued operations includes write-down of inventories and other assets, severance and other termination costs and operating losses related to final manufacturing production.

Net assets for discontinued operations are as follows:

	March 28, 2015	December 31, 2014
Accounts receivable, net	**$ 61**	$ 695
Inventory, net	**234**	678
Total assets	**295**	1,373
Accounts payable and other liabilities	**6**	93
Net assets	**$ 289**	$ 1,280

The only ongoing costs for discontinued operations will be warehouse and shipping for distribution of discontinued inventory.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

The following table sets forth the percentage relationship to net sales of certain items included in the Consolidated Statements of Operations:

	Three Months Ended	
	March 28, 2015	March 29, 2014
Net sales	**100.0%**	100.0%
Cost of sales	**79.7**	79.9
Gross profit	**20.3**	20.1
Selling, general and administrative expenses	**24.8**	29.2
Operating loss	**(4.5)**	(9.1)
CDSOA income	**26.0**	**-**
Other income, net	**.1**	2.3
Interest expense, net	**2.3**	5.0
Income (loss) from continuing operations before income taxes	**19.3**	(11.8)
Income tax expense (benefit)	**.4**	-
Net income (loss) from continuing operations	**18.9**	(11.8)
Net loss from discontinued operations	**(.8)**	(19.8)
Net income (loss)	**18.1%**	(31.6)%

Net sales of $14.7 million for the three month period ended March 28, 2015, were basically flat compared to the comparable 2014 period as higher average selling prices, from a favorable product mix, offset a slight decline in units.

Gross profit for the first three months of 2015 increased to $3.0 million, or 20.3% of net sales, from $2.9 million, or 20.1% of net sales, for the comparable three months of 2014. The increase in gross profit was driven by lower sales discounts and lower operation support costs, partially offset by higher ocean freight costs resulting from West Coast port issues. These higher freight costs are expected to continue into the second quarter of 2015.

Selling, general and administrative expenses decreased to $3.6 million, or 24.8% of net sales, for the three month period of 2015 from $4.3 million, or 29.2% of net sales, for the comparable three month period of 2014. The decrease in spending is the result of lowering our overall organizational costs by right-sizing our structure to align with the lower volume levels and operations model. Partially offsetting these savings are higher commissions and legal and professional expenditures. The right-sizing began after the decision to discontinue the Young America product line at the end of the first quarter of 2014.

As a result, operating loss as a percentage of net sales was 4.5% for the three-month period of 2015 compared to a loss of 9.1% for the comparable 2014 period.

During the current year three month period we recorded income of $3.8 million from the receipt of funds under the Continued Dumping and Subsidy Offset Act (CDSOA).

Other income in the prior year quarter was for the reversal of tariff accruals on imported bedroom furniture that U.S. Customs liquidated during that quarter without assessing any additional liability.

Interest expense for the three month period of 2015 decreased $400,000 from the comparable 2014 period. Interest expense is composed of interest on loans against cash surrender value of insurance policies from a legacy deferred compensation plan. The increase in cash surrender value is recorded in operating income to offset our overall benefit cost. In November 2014, we used excess cash to pay down $13.7 million in outstanding loans, and we paid down an additional $1.4 million in outstanding loans in March 2015, lowering our interest expense going forward. Subsequent to the end of current year quarter, we used an additional $3.0 million to pay down outstanding loans and accrued interest. At current outstanding loan levels, interest expense would be approximately $900,000 annually.

Our effective tax rate for the current quarter was 2.2%, due to alternative minimum tax limiting our ability to offset all of our income generated during the period with net operating carry-forwards. The effective tax rate in the prior year quarter was essentially zero since we had established a valuation allowance for our deferred tax assets in excess of our deferred tax liabilities. The major reconciling items between our effective income tax rate and the federal statutory rate are changes in our valuation allowance and the cash surrender value on life insurance policies. The benefit in the prior year period was primarily from the release of reserves due to lapse of statute of limitations.

During 2014, we ceased production of our Young America product line and closed our manufacturing operation in Robbinsville, North Carolina. A loss of $118,000 was recognized from discontinued operations in the first quarter of 2015, as we continue to sell off inventory and collect outstanding receivables. The loss from discontinued operations for 2014 was $22.0 million and consisted mostly of asset impairment charges, costs of finalizing operations and severance and other termination costs. Approximately $2.9 million of this loss occurred in the first quarter of 2014. Future expenses related to the discontinued operations will result in expenses to support continued warehousing and shipping activities for the remaining finished goods inventory of this product line, which should be minimal.

Financial Condition, Liquidity and Capital Resources

Sources of liquidity include cash on hand, cash generated from operations and cash surrender value of life insurance policies. While we believe that our business strategy will be successful, we cannot predict with certainty the ultimate impact on our revenues, operating costs and cash flow from operations. We expect cash on hand to be adequate for ongoing operational and capital expenditures for the foreseeable future. At March 28, 2015 we had $5.8 million in cash, $1.2 million in restricted cash and $17.0 million available in cash surrender value on life insurance policies.

Working capital, excluding cash, restricted cash and net assets of discontinued operations, increased to $23.0 million at March 28, 2015 from $21.4 million on December 31, 2014. The increase was primarily the result of an increase in accounts receivable and decreases in accounts payable and accrued salaries wages and benefits, partially offset by a decrease in inventory.

Cash provided by operations was $736,000 in the current quarter of 2015 compared to cash used of $1.8 million in the comparable prior year quarter. The cash generation in 2015 was the result of receiving $3.8 million on CDSOA proceeds during the period. Partially offsetting those receipts were higher cash payments to suppliers, largely driven by timing of container shipments and higher freight costs associated with the West Coast port issues, and the payment of $400,000 in accrued interest as part of our pay-down on loans against the cash surrender value of life insurance policies.

No investing activities occurred in the current quarter of 2015. During the first quarter of 2014, the net cash provided was the result of the maturity of a short-term investment of $5.0 million.

Net cash used by financing activities in the first quarter of 2015 was $1.4 million for the pay-down of life insurance policy loans under our deferred compensation plan. No financing activities occurred in prior year quarter. Subsequent to quarter end, we used an additional $3.0 million in cash to continue to pay down the life insurance policy loans and accrued interest under our deferred compensation plan.

Continued Dumping and Subsidy Offset Act (“CDSOA”)

The CDSOA provides for distribution of monies collected by U.S. Customs and Border Protection (“Customs”) for imports covered by antidumping duty orders entering the United States through September 30, 2007 to eligible domestic producers that supported a successful antidumping petition (“Supporting Producers”) for wooden bedroom furniture imported from China. Antidumping duties for merchandise entering the U.S. after September 30, 2007 have remained with the U.S. Treasury.

Certain manufacturers who did not support the antidumping petition (“Non-Supporting Producers”) filed actions in the United States Court of International Trade, challenging the CDSOA’s “support requirement” and seeking to share in the distributions. As a result, Customs held back a portion of those distributions (the “Holdback”) pending resolution of the Non-Supporting Producers’ claims. The Court of International Trade dismissed all of the actions of the Non-Supporting Producers, who appealed to the United States Court of Appeals for the Federal Circuit. Customs advised that it expected to distribute the Holdback to the Supporting

Producers after March 9, 2012. The Non-Supporting Producers sought injunctions first from the Court of International Trade and, when those efforts were unsuccessful, from the Federal Circuit directing Customs to retain the Holdback until the Non-Supporting Producers' appeals were resolved.

On March 5, 2012, the Federal Circuit denied the motions for injunction, "without prejudicing the ultimate disposition of these cases." As a result, we received a CDSOA distribution of $39.9 million in April 2012. On August 19, 2013, the Federal Circuit issued a decision affirming the dismissal of the claims of two of the four Non-Supporting Producers. On January 3, 2014, the Federal Circuit denied those Non-Supporting Producers' petitions for rehearing en banc. On May 2, 2014, these Non-Supporting Producers filed a petition for writ of certiorari, seeking review by the United States Supreme Court. On October 6, 2014, the Supreme Court denied two of three of the Non-Supporting Producers' petitions for certiorari review, and on December 15, 2014, the Supreme Court denied the third petition for review. Accordingly, Customs should not seek or be entitled to obtain a return of our CDSOA distribution received in April 2012.

In November 2012, December 2013, and November 2014 Customs disclosed that it withheld $3.0 million, $6.4 million, and $5.7 million respectively in each of those years, in funds related to the antidumping duty order on wooden bedroom furniture from China that was otherwise available for distribution until the amounts at issue in the pending litigation had been resolved. In March 2015, following the conclusion of all appeals, Customs began distributing the withheld funds to the Supporting Producers. Our allocated share of the distributed 2012, 2013, and 2014 withheld funds totaled $4.8 million, which we received during late March and early April 2015.

In November 2014, Customs also had announced that 2014 and 2015 CDSOA distributions were subject to sequestration under the Budget Control Act at the rate of 7.2 percent and 7.3 percent, respectively. On March 17, 2015, however, the government concluded that the amounts sequestered during Fiscal Year 2014 and Fiscal Year 2015 would become available in the subsequent fiscal year, and Customs recently announced that it is preparing supplemental disbursements to the Supporting Producers for the 2014 sequestered funds. Our share of these funds, totaling $147,000, was distributed subsequent to quarter end.

Due to the uncertainty of the various legal and administrative processes, we cannot provide assurances as to the amount of additional CDSOA funds that ultimately will be received, if any, and we cannot predict when we may receive any additional CDSOA funds.

Critical Accounting Policies

There have been no material changes to our critical accounting policies and estimates from the information provided in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations", included in our 2014 Annual Report on Form 10-K.

Forward-Looking Statements

Certain statements made in this report are not based on historical facts, but are forward-looking statements. These statements can be identified by the use of forward-looking terminology such as "believes," "estimates," "expects," "may," "will," "should," "could", or "anticipates," or the negative thereof or other variations thereon or comparable terminology, or by discussions of strategy. These statements reflect our reasonable judgment with respect to future events and are subject to risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Such risks and uncertainties include disruptions in foreign sourcing including those arising from supply or distribution disruptions or those arising from changes in political, economic and social conditions, as well as laws and regulations, in countries from which we source products, international trade policies of the United States and countries from which we source products, the inability to raise prices in response to inflation and increasing costs, lower sales due to worsening of current economic conditions, the cyclical nature of the furniture industry, business failures or loss of large customers, failure to anticipate or respond to changes in consumer tastes, fashions and perceived values in a timely manner, competition in the furniture industry, environmental, health, and safety compliance costs, and failure or interruption of our information technology infrastructure. Any forward-looking statement speaks only as of the date of this filing and we undertake no obligation to update or revise any forward-looking statements, whether as a result of new developments or otherwise.

ITEM 3. Quantitative and Qualitative Disclosures about Market Risk

None of our foreign sales or purchases are denominated in foreign currency and we do not have any foreign currency hedging transactions. While our foreign purchases are denominated in U.S. dollars, a relative decline in the value of the U.S. dollar could result in an increase in the cost of our products obtained from offshore sourcing and reduce our earnings or increase our losses, unless we are able to increase our prices for these items to reflect any such increased cost.

ITEM 4. Controls and Procedures

Evaluation of disclosure controls and procedures

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the Exchange Act). Based on this evaluation, our principal executive officer and our principal financial officer concluded that our disclosure controls and procedures were effective as of March 28, 2015, the end of the period covered by this quarterly report.

Changes in internal controls over financial reporting

As identified in our 2014 Annual Report on Form 10-K, management identified a material weakness as we did not appropriately design, document, or maintain effective internal controls over our period-end financial reporting processes related to the preparation and analysis of account reconciliations and estimates primarily related to accounts payable and certain expenses. Additionally, our internal controls were not sufficiently designed or maintained to allow a member of the accounting department other than the preparer to perform adequate and timely reviews of information in order to prevent or detect potential errors. The material weakness resulted in revisions to our consolidated financial statements for fiscal years 2013 and 2012, and interim periods in 2014. Additionally, the material weakness was not remediated by December 31, 2014 and could result in a misstatement of the account balances or disclosures that would result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected. During the three months ended March 28, 2015, internal controls were designed and implemented to ensure proper preparation of these account reconciliations and estimates and timely review by a member of the accounting department other than the preparer in order to prevent and detect potential errors. These changes materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. These controls have been tested and we found them to be effective as key reconciliations and controls had been designed and documents during the first quarter of 2015. Therefore, we have concluded the material weakness has been remediated as of March 28, 2015.

Part II. OTHER INFORMATION

ITEM 6. Exhibits

3.1 Restated Certificate of Incorporation of the Registrant as amended (incorporated by reference to Exhibit 3.1 to the Registrant's Form 10-Q (Commission File No. 0-14938) for the quarter ended July 2, 2005).

3.2 By-laws of the Registrant as amended (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K (Commission File No. 0-14938) filed February 3, 2010).

31.1 Certification by Glenn Prillaman, our Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.(1)

31.2 Certification by Anita W. Wimmer, our Principal Accounting Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (1)

32.1 Certification of Glenn Prillaman, our Chief Executive Officer, pursuant to 18 U. S. C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002. (1)

32.2 Certification of Anita W. Wimmer, our Principal Accounting Officer, pursuant to 18 U. S. C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002. (1)

101 The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended March 28, 2015, formatted in Extensible Business Reporting Language ("XBRL"): (i) consolidated balance sheets, (ii) consolidated statements of operations, (iii) condensed consolidated statements of comprehensive income (loss), (iv) condensed consolidated statements of cash flows, (v) the notes to the consolidated financial statements, and (vi) document and entity information.(1)

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(1) Filed herewith

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: May 4, 2015

STANLEY FURNITURE COMPANY, INC.
By: /s/ Anita W. Wimmer
Anita W. Wimmer
Vice President of Finance
(Principal Financial and Accounting Officer)

Exhibit 31.1

I, Glenn Prillaman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Stanley Furniture Company, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods in this report.

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2015

By: /s/ Glenn Prillaman
Glenn Prillaman
Chief Executive Officer

Exhibit 31.2

I, Anita W. Wimmer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Stanley Furniture Company, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods in this report.

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2015

By: /s/ Anita W. Wimmer
Anita W. Wimmer
Principal Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Stanley Furniture Company, Inc. (the "Company") Quarterly Report on Form 10-Q for the period ended March 28, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Glenn Prillaman, Chief Executive Officer of the Company certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1). The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2). The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 4, 2015

By: /s/ Glenn Prillaman
Glenn Prillaman
Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Stanley Furniture Company, Inc. (the “Company”) Quarterly Report on Form 10-Q for the period ended March 28, 2015 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Anita W. Wimmer, Principal Financial Officer of the Company certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1). The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2). The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 4, 2015

By: /s/ Anita W. Wimmer
Anita W. Wimmer
Principal Financial Officer