Hostess Says It Has More Than 100 Interested Buyers

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NEW YORK (AP) — Hostess Brands Inc. says it's in talks with more than 100 parties interested in buying its brands, which include Twinkies, Ding Dongs and Ho Hos.

Those interested parties now include at least five national retailers such as supermarkets, a banker for the company said in bankruptcy court Thursday. The process has been "so fast and furious" the company hasn't been able to make the calls seeking buyers it previously intended, said Joshua Scherer of Perella Weinberg Partners.

"Not only are these buyers serious, but they are expecting to spend substantial sums," he said.

The update on the sale of the company's brands came as Hostess seeks approval in U.S. Bankruptcy Court in the Southern District of New York in White Plains, N.Y. to give its top executives bonuses totaling up to $1.8 million as part of its wind-down plans. The company says the incentive pay is needed to retain the 19 corporate officers and "high-level managers" during the liquidation process, which could take about a year.

Two of those executives would be eligible for additional rewards depending on how efficiently they carry out the liquidation. The bonuses would be in addition to their regular pay.

The bonuses do not include pay for CEO Gregory Rayburn, who was brought on as a restructuring expert earlier this year. Rayburn is being paid $125,000 a month.

Hostess is also seeking final approval for its wind-down, which was approved on an interim basis last week.

The bakers union, Hostess' second-largest union, is asking the judge to appoint an independent trustee to oversee the liquidation, saying that the current management "has been woefully unsuccessful in its reorganization attempts."

The wind-down process includes the quick sale of Hostess brands, which also include CupCakes, Donettes and Wonder Bread. Hostess had already said last week that it received a flood of interest from potential buyers, including from national packaged food makers, international companies and its own customers, which include supermarkets and big-box retailers. Hostess sales have been declining over the years, but still come in at between $2.3 billion and $2.4 billion a year, a banker for the company said in court last week.

The company's shuttering means loss of about 18,000 jobs.

In court Thursday, an attorney for Hostess noted that the company is no longer able to pay retiree benefits, which come to about $1.1 million a month. Hostess stopped contributing to its union pension plans more than a year ago.

The company's demise came after years of management turmoil, with workers saying the company failed to invest in updating its products. In January, Hostess filed for its second Chapter 11 bankruptcy in less than a decade, citing steep costs associated with its unionized work force.

Although Hostess was able to reach a new contract agreement with its largest union, the Teamsters, the bakers union rejected the terms and went on strike Nov. 9. A week later, Hostess announced its plans to liquidate, saying the strike crippled its ability to maintain normal production.

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