

Bankrupt Peanut Butter Plant Gets Last-Minute Bid

JERI CLAUSING, Associated Press

ALBUQUERQUE, N.M. (AP) — A last-minute \$25 million cash offer is threatening to derail last week's bankruptcy court auction for a defunct eastern New Mexico peanut butter plant.

Sunland Inc. trustee Clarke Coll on Monday asked U.S. Bankruptcy Court Judge David Thuma to let him consider the offer from Golden Boy Foods of Canada over the high bid of \$20 million offered by a North Carolina during closed bidding Thursday.

He said the substantially higher offer could mean the difference between whether or not unsecured creditors will get any payments from the liquidation of [Sunland Inc., which filed for bankruptcy last year](#) [1] following the 2012 salmonella outbreak that prompted a nationwide recall and shuttered its operations for eight months.

Hampton Farms tendered the high bid. However, just before the auction results were to be finalized during a court hearing Friday, Coll received a call from Paul Henderson of Canada's Golden Boy Foods with a \$25 million cash offer for the plant.

"Initially, I thought it was a joke," he told the court.

But the company has since wired the cash to a title company and is prepared to close Friday.

Henderson, president of Golden Boy's nut butter division, said he had been interested in Sunland from start, but had to drop out because his company was in the process of being purchased by Post Holdings. After the sale was complete in February, he said that he thought, based on news reports, that Sunland was on track to be bought by a third company, Ready Roast Nut Co.

Two days before the auction, he said he found out otherwise, and he and his boss scrambled to put together the offer.

Attorneys for North Carolina-based Hampton Farms, argued that Golden Boy came to the table too late, and that to invalidate an auction where proper procedures had been followed would jeopardize the integrity of the system.

The judge said he hoped to decide Tuesday morning whether to let Coll consider the new offer.

Hampton Farms has two peanut butter plants in North Carolina and one in Massachusetts. It also owns Portales Select Peanut, a peanut shelling and packing

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company in Portales.

Golden Boy Foods operates four nut butter plants in Canada and the U.S. and sources its supplies from around the world, according to its website.

Sunland processed Valencia peanuts, a sweet variety of peanut that is unique to the region and preferred for natural butters because it is flavorful without additives. It was the nation's largest organic peanut butter plant, and its shutdown following the salmonella outbreak in late 2012 left many stores scrambling for months to find alternative natural peanut butters.

The plant reopened in May. But it filed for bankruptcy and closed in October, apparently unable to recover from the financial hit of the shutdown and lawsuits from the salmonella outbreak.

Sunland attorneys had valued the company's total assets at \$50 million when it sought bankruptcy protection last fall.

The company owes its three major secured creditors about \$14 million.

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