Assets From MO Sweetener Plant To Be Auctioned

The Associated Press

COLUMBIA, Mo. (AP) — The bondholder trustee for a failed artificial sweetener facility that was supposed to have brought more than 600 jobs in central Missouri said it will auction off assets this fall because it could not find a buyer for the plant.

In a public notice, UMB Bank officials said they spent at least four months searching for a buyer for Mamtek U.S. Inc.'s facility and contacted about 100 potential investors, according to the Columbia Daily Tribune (http://bit.ly/P3wvUG [1]). Several groups even signed confidentiality agreements as part of the effort, but the bank said it never received any offers to purchase Mamtek's assets.

But Moberly city officials and the Moberly Area Economic Development Corp. said they recently received two detailed proposals for the site, and faulted UMB Bank for not considering those offers.

"Apparently because each of the proposals requested some degree of financial involvement by bondholders, the Trustee rejected both without attempting negotiations, terminated marketing efforts and is now seeking a liquidation sale of the assets," the city and development corporation said in a statement.

Construction on the partially completed plant was halted last fall after Mamtek missed a payment to Moberly, a community of about 14,000 people 30 miles north of Columbia. The city issued $39 million of bonds for the project. The state offered about $17 million worth of incentives, but none were paid because the project fell apart before the company could ever receive the state aid.

UMB Bank eventually took control of the plant and filed a lawsuit against Mamtek in federal bankruptcy court. The bankruptcy trustee also filed lawsuit against the company's CEO, claiming money from the bond funds went to personal use.

The project's failure triggered a review by state lawmakers and investigations by Missouri Attorney General Chris Koster and the federal Securities and Exchange Commission.

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