

Hostess Union Hires Investment Bank

The Associated Press

NEW YORK (AP) — The pension fund for one of Hostess Brands' unions has hired an investment bank to represent workers and pensioners as the maker of Twinkies and Wonder Bread sells off its brands.

In a statement posted Sunday on its website, the Bakery, Confectionery, Tobacco Workers and Grain Millers International Union, which represents around 6,000 Hostess bakers, said Gordian Group LLC will represent the fund.

Gordian, a New York investment banking firm that specializes in distressed cases, has represented unionized workers at American Airlines, which is undergoing restructuring in bankruptcy. It's also an adviser in the ongoing liquidation of disgraced investor Bernard Madoff's firm.

Earlier this month, Irving, Texas-based Hostess selected Flowers Foods Inc. to buy its six bread brands, including Wonder Bread, along with 20 bakeries and 38 depots, for \$390 million.

Flowers Foods, based in Thomasville, Ga., was selected as the stalking horse bidder for the bread brands. That means higher competing bids can still be made and the final deal must be approved in bankruptcy court.

Hostess is expected to find buyers for its dessert cakes, which include its iconic Twinkies and Ding Dongs, along with the Drake's Cakes and Dolly Madison brands, in the coming weeks.

Gordian President Peter Kaufman said his company will try to ensure that potential buyers hire former Hostess workers and honor Hostess' pension obligations.

"Given the sale process that is under way, we believe the bakers working with a buyer create the opportunity to increase value and are pivotal to the success of the business," Kaufman said in a statement. "Buyers should know that the Bakers are very interested in having direct discussions with them."

The Bakery and Confectionery Union and Industry International Pension Fund pays out \$42 million in benefits per month to 52,000 pensioners, according to its website.

Hostess filed for bankruptcy protection in January 2012 after years of management turmoil and turnover. A bankruptcy judge approved its plan to liquidate its assets in November after it failed to reach a new contract agreement with the bakers' union.

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