

MN Ethanol Plant Shuts Down Again

The Associated Press

MINNEAPOLIS (AP) — A recently reopened southern Minnesota ethanol plant has shut down again, and its top executives have been fired amid a bitter bankruptcy fight.

Only 10 of Purified Renewable Energy's 23 employees remain on the job at the Buffalo Lake plant, and the operation has just enough borrowed money to last a few weeks, the Star Tribune of Minneapolis reported Tuesday (<http://bit.ly/12File6> [1]).

"It is a nasty fight," said the company's former chief financial officer, Patrick Riggs, who was terminated last month while on leave for cancer surgery.

The former Minnesota Energy plant was built in 1997. It's one of the smallest in the state. It was closed for 2 ½ years but resumed production last year after a farmers cooperative sold it to new investors who got financing from a New York hedge fund, Platinum Partners.

The reopened plant never hit its 25 million-gallon-a-year capacity. Two fires last fall disrupted operations, and the entire ethanol industry has struggled with high corn prices.

Three people held the biggest stakes in Purified Renewable Energy — Steven Walker, the CEO; investor James Cushman of Afton, and Riggs, the CFO. Platinum Partners financed the deal through a company called West Ventures. That company says it is owed \$18 million.

Earlier this year, West Ventures began taking steps to gain control of the plant and its board. Then it filed a Chapter 11 bankruptcy petition to reorganize. The board also fired Walker and Riggs.

Riggs said the former executives are trying to arrange financing and retain lawyers to propose their own reorganization plan.

The plant has \$26 million in liabilities, and the Star Tribune reported it may be worth only \$12.5 million or even less.

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