

MFA Oil Buys Failed Sweetner Factory

Associated Press

MOBERLY, Mo. (AP) — MFA Oil Co. plans to buy the 33-acre site in Moberly where Mamtek U.S. had planned to build an artificial sweetener plant before that company collapsed, MFA officials said.

MFA, a farmer-owned co-op based in Columbia, said Tuesday it had no specific plans for the land and the half-constructed buildings, which it bought from UMB Bank. The bank forced Mamtek into bankruptcy after the company defaulted on bonds for the sweetener plant.

A bankruptcy court has approved the sale, but spokesman Tom May declined to release the sale price, The Columbia Daily Tribune reported (<http://bit.ly/1dOBRpY>). The co-op has not yet closed on the property.

"This property provides MFA Oil with some strategic opportunities," Mark Fenner, chief operating officer of MFA Oil, said in a statement. "The site has convenient access to" Highway 63 "and will allow us to upgrade some of our current support operations and explore future business opportunities."

The collapse of the Mamtek plant, which was to have provided 600 jobs, was a blow for Moberly. The city issued \$39 million in industrial revenue bonds to finance the construction. When Mamtek missed a bond payment in August 2011, Moberly let the bonds default and had its credit rating downgraded.

Former Mamtek CEO Bruce Cole is facing felony fraud and forgery charges after he allegedly diverted some of the bond funds for his own use.

Bondholders have been unable to recover much of their initial investment. Last month, Moberly settled its involvement in a lawsuit filed by bondholders for \$95,000. Two weeks ago, the city released its claims on the Mamtek land to allow it to be sold.

The new goal is to make the site "more about MFA Oil" than Mamtek, said Corey Mehaffy, president of the Moberly Area Economic Development Council.

"We are excited that they are willing to come in and make this investment to complete the facility," Mehaffy said. "MFA is a tremendous company, and just about everybody in Missouri is familiar with MFA Oil."

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