

The Deal Pipeline

La Bonita gets further cash use

by Mike Schoeck

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Tortilla maker **La Bonita Ole Inc.** received its fifth helping of interim cash collateral on Tuesday, Nov. 19, but the bankruptcy court took another siesta on considering the debtor's final use of cash.

Bonita financial adviser and investment banker Kevin Cimino of **Athena Capital Partners Inc.** said Judge Michael Williamson of the U.S. Bankruptcy Court for the Middle District of **Florida** in Tampa continued the final hearing, which was initially scheduled for Sept. 10.

Cimino could not specify why the judge opted against submitting a final ruling on Bonita's final cash use, but the adviser did not complain either. A further hearing on collateral use is slated for sometime next month, Cimino said.

He added that Williamson also continued a hearing on the debtor's motion to extend the period in which it has the exclusive right to file a reorganization plan. The extension request was also on the agenda Tuesday, but Cimino said the judge will rule on the matter on Dec. 17.

Bonita's exclusivity period was to expire Nov. 13.

According to a Nov. 10 motion by debtor counsel Donald Stichter from **Stichter, Riedel, Blain & Prosser PA** in Tampa, the process of finding funds to recapitalize the tortilla maker has been sluggish because of the poor economy of the past two months.

Cimino said he and partner Sherman Taylor are seeking new equity for the Tampa company as it reorganizes its debt. And although the banker could not identify any names, he said a few interested parties have stepped forward for Bonita's assets.

Williamson on Aug. 15 first gave Bonita interim permission to tap some \$3.1 million in prepetition cash from **SunTrust Bank**.

The bank has a first-priority lien on Bonita's assets, and the lender receives a replacement lien for any cash used.

Bonita also has another secured creditor, the **Small Business Administration**, whose \$1.13 million claim is subordinated only to that of SunTrust.

Bonita's July 16 petition listed \$5.3 million in assets and \$6.6 million in liabilities.

Founded in 1992, the company employs 55 people. It makes traditional flour and corn tortilla wraps as well a whole wheat variety. The tortillas are sold at major supermarket chains on the East Coast, including **Pathmark Stores Inc.**, **Publix Super Markets Inc.** and **Shaw's Supermarkets Inc.**