



## **Gores Group buys National Envelope for \$150 mln**

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Santosh Nadgir

Aug 23 (Reuters) - Los Angeles-based private-equity firm The Gores Group won a bankruptcy court auction for NEC Holdings Corp, the parent of National Envelope Corp, agreeing to pay about \$149.9 million in cash for the bankrupt envelope maker.

NEV Holdings LLC, an unit of The Gores Group, which had initially bid \$134.5 million for the assets, raised its offer by \$15.4 million at the auction held Friday.

The Gores Group will also assume \$57.7 million of NEC's debt as part of the deal.

Rival envelope maker Cenvo Corp issued a statement earlier on Monday withdrawing its bid for NEC Holdings.

Cenvo said NEC and its creditors had asked for significantly more in cash and guarantees from it than from other bidders and were looking to saddle Cenvo with "unacceptable risk that no other bidders were being asked to bear."

Stamford, Connecticut-based Cenvo had offered to buy NEC for at least \$140 million in cash in June.

However, NEC chose an offer by the Gores Group to act as the stalking horse bid at the court-supervised auction.

Alec Gores founded The Gores Group in 1987. The firm has \$2.7 billion in equity under active management, according to its website.

Uniondale, New York-based NEC and 27 affiliates filed for bankruptcy protection in June after three years of falling sales and rising losses. It says it is the largest privately held envelope maker in the United States.

The case is In re: NEC Holdings Corp, U.S. Bankruptcy Court, District of Delaware, No. 10-11890. (Reporting by Santosh Nadgir in Bangalore; Editing by Maju Samuel, Unnikrishnan Nair)