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**Judge OKs Carthage Specialty Paperboard Mill Sale**

October 22, 2018

SYRACUSE, N.Y. (From news reports) -- A federal bankruptcy court judge in Syracuse made it official Friday: Ox Industries is the new owner of Carthage Specialty Paperboard. That's according to people present in federal court for the judge's ruling.



The mill in West Carthage was auctioned off Thursday. According to court documents, Ox paid \$9.9 million, a mix of cash and taking over Carthage Specialty Paper debt.

Judge Margaret Cangilos-Ruiz approved the sale to Ox, a family-owned company based in Pennsylvania. Carthage Specialty Paperboard, which employs about 70 people, has been in bankruptcy since February.

The decision Friday appeared to clear the way for an immediate Ox takeover of the plant.

"We are excited to get started with the employees at Carthage," Kevin Hayward, president and CEO of Ox Industries, said Thursday. "This is a great thing for the employees and the community."

Ox has described itself as a company with a track record of saving paper mills which work with recycled paper. Ox has said it will operate the mill with union employees.

In order to buy the company, Ox had to beat one other bidder, Human Capital Investments, which planned to operate the West Carthage mill under the name Long Falls Paperboard. Court documents describe a long day of back and forth Thursday, as the two companies vied for the paper mill.

Ox's initial bid - which ultimately was the winning bid - was for \$9,949,000. About \$4 million of that is cash and the balance is assuming debts owed by Carthage Specialty paper. Long Falls' bid: \$8,894,000.

Long Falls upped its bid by a million dollars, and "after an extended delay of several hours, Long Falls was able to produce some evidence that a Canadian individual with whom it had been working, but with whom it admittedly did not have a formal or legally binding relationship, might be willing and able to secure the funding.

"However, the evidence provided did not establish a reasonable level of certainty the availability of funds and the binding nature of the relationship between Long Falls and its purported Canadian sponsor."

That's all according to a sworn statement by Daniel Zwelling, who was the broker for the sale.

Ultimately, the decision was that the Ox bid was the "highest or otherwise best bid."

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