

Carlyle, Z Capital take over cookie company

The beleaguered cookie stand franchisor was on its way to a second bankruptcy in three years before its two largest creditors, Carlyle and Z Capital, agreed to its refinancing.

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Mrs. Fields Famous Brands has completed its refinancing and exchange offer, paving the way for The Carlyle Group and Z Capital Partners to take over the troubled cookie and frozen yogurt franchisor. Terms of the transaction were not disclosed.

The company began repositioning its capital structure in November with the support of its two largest bondholders, Z Capital and Carlyle. The firms were expected to assume control of the company following its refinancing, according to reports.

Mrs. Fields would have gone bankrupt had the refinancing and the exchange of debt for equity not been approved, reports said. It would have been Mrs. Fields' second bankruptcy in recent history, having undergone a "prepackaged" reorganisation in 2008 under the ownership of Capricorn Investors.

Capricorn had acquired Mrs. Fields in 1996, adding on frozen-yogurt chain TCBY for \$140 million in 2000 as well as Pretzel Time and Great American Cookie. Pretzel Time and Great American Cookie were sold in separate transactions to NexCen Brands for \$110 million.

Mrs. Fields expects the transaction will improve its capital structure and access to additional funding, according to a statement. The company will also use the investment capital provided by Carlyle and Z Capital to expand its businesses in the US and globally. Earlier this year, TCBY announced an agreement that would expand its presence by 200 stores in Texas.

"We continue to believe in the growth potential of the company and two of America's most recognizable food-related brands," said Carlyle managing director Michael Stewart in a statement.

Earlier this week, Carlyle announced that it had acquired a 42 percent stake in Alamar Foods, which operates Domino's Pizza and Wendy's Restaurants in the Middle East and North Africa region. Terms of the deal, which closed on 14 December, were not disclosed.

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