

GROWERTALKS

GT in Brief

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Park Seed Gets a New Owner

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Park Seed has found a new home with a Maryland investment firm called Blackstreet Capital. A federal judge accepted Blackstreet's offer of \$12.8 million for the company. Park, founded in 1868 and based in Greenwood, South Carolina, since 1924, filed Chapter 11 bankruptcy protection in April.

The deal includes the other three divisions of Park Seed— Park Seed Wholesale, Jackson & Perkins and Wayside Gardens—and a knowledgeable insider said that, as the four companies' finances and records were so intertwined, the bankruptcy trustee was unable to find a way to separate them.

So why buy Park Seed? Managing Director Aldus Chapin replied that they'd been watching the process since Park filed chapter 11 in April. They're well versed in turnarounds and e-commerce.

"What we liked about this is, we think the barriers to entry in an industry like horticulture, particularly the way [Park Seed] sells, are very big," said Aldus. "We felt we could add some real operating help to this organization and let this group do what they really do know how to do, which is cultivating plants." He adds that they can add "significant improvements" to Park's e-commerce logistics and distribution.

Blackstreet Principal Lawrence Berger told reporters that the company wants "to rescue Park Seed, not dismantle it." Aldus expanded on that.

"The business is not going anywhere. We're going to keep all of the brands active. And we're going to stay at the same old place in Greenwood. We're going to continue to do what they've done, just do it better."

According to newspaper reports, Blackstreet's bid was accepted even though Blackstreet was the lowest of three bidders (the other two were New York's Verdero Capital and Gardens Alive of Lawrenceburg, Indiana). Blackstreet won because they agreed to keep the company's employees on the payroll for at least three years. Greenwood's unemployment rate is 12.2%, and Park has been an important employer, with a payroll of more than \$6 million and contributing more than \$600,000 in state and local taxes.

Admittedly, some of Park's unsecured creditors may lose out in the bankruptcy. Aldus replied that the company has been operating on a COD basis since April, and as the new owners, "Our intention is to continue to work with the best suppliers we can find, if they're willing to work with us."

To recap what happened to the seed company, the Park family sold the business to Florida real estate mogul Donald Hachenberger, one of the founders of RE/MAX, in 2005. Hachenberger added Jackson & Perkins to the portfolio in 2007, paying Harry & David \$49 million for the rose brand. **GT**