

GROWERTALKS

GT in Brief

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Color Spot Finds a Buyer (two, actually)

Chris Beytes

In a bankruptcy auction held July 18-20, Color Spot Nurseries got a new owner: Wells Fargo Bank ... which also happened to be Color Spot's biggest creditor. Wells Fargo took over ownership of the business with a successful bid of about \$74 million in cash and credit and \$9 million in working capital to keep the business operating.

Operating for how long? They hope it won't be for long, says a source close to the deal. We were told that Wells Fargo is "actively pursuing ... solid leads." They have already taken advantage of one of those, spinning off three locations in California and Oregon—former Hines locations—to TreeTown USA, which had put in an unsuccessful bid of \$10 million for those assets. TreeTown CEO Jonathan Saperstein said that Wells Fargo contacted them after the auction, offering up that portion of the business. Several other prominent names in the California and Texas markets were mentioned as expressing interest, but none have been confirmed.

Our sources say that Wells Fargo will continue operating the business even as they seek interested and qualified buyers; the \$9 million in operating capital that they put up speaks to their willingness to give it some time. Which is key, since keeping customers confident and buying could be important to maintaining the value of the assets.

Jonathan Saperstein on not going the way of Hines and Spot

While talking to Jonathan about his purchase of the Hines portion of Color Spot, we asked him how, as TreeTown gets larger and more far-flung from its Texas home, he avoids suffering the same fate as the business he is now buying out of bankruptcy.

"The biggest thing is making sure we have a solid future plan—that our strategy is something that everyone believes in," he replied. "The next part is to have a diversified business; we want to make sure we are financially strong enough to weather any storms. And taking the things those companies did well—which is a lot of things—and incorporating those to make our company better. Get rid of the bad and take only the good parts."

TreeTown has weathered storms—last year his business was hit by hurricanes in both Texas and Florida.

"This year, in that division, the facilities that got hit are still having record months. That whole division is performing very well even though they got hammered by storms and we had inventory losses that we can't quickly make up for.

"If [the hurricanes] hadn't have happened, imagine how good it would have been!" **GT**