

# Circle Peak takes sugarless-foods maker

By Kelly Holman

**Circle Peak Capital** LLC, which typically invests \$5 million to \$30 million per deal, said Thursday, Aug. 11, it had acquired sugar-free foods maker Hill & Valley Inc. from the Coin family for an undisclosed sum.

The Rock Island, Ill.-based company was formerly known as Nancy's Pies Inc.

Fifth Third Bank provided senior debt, while the Prism Mezzanine Fund, an investment vehicle of Prism Capital Corp., provided subordinated debt to finance Circle Peak's purchase, which closed on Thursday.

Eighteen-year-old Hill & Valley sells its sugar-free cakes, pies, cookies and brownies under private labels in in-store bakeries in 14 of the top 25 grocery retailers in the U.S. It also sells them under its own name.

"Hill & Valley is an extension of our focus on health-related and specialty consumer products," said R. Adam Smith, managing partner of New York-based Circle Peak.

He declined to comment on Hill & Valley's financials.

But he said the company's sugar-free foods are well-suited to consumers who want to eat less sugar-based food.

"There is greater awareness by consumers to move away from sugar as part of a healthy diet," Smith said.

Circle Peak invests in companies with revenues ranging from \$10 million to \$500 million.

Hill & Valley founder George Coin plans to retire. Circle Peak has appointed Brian Gustaitis — a member of the firm's advisory board and former president of Hicksville, N.Y.-based dessert maker Kozy Shack Enterprises — as non-executive chairman of Hill & Valley's board.

Scott Florence, meanwhile, will remain president of the company.

Akin Gump Strauss Hauer & Feld LLP attorney Daniel Eisner advised Circle Peak along with the firm's own operating advisers, Robert Kraft and Doris Zelinsky.

RSMEquiCo. banker Patrick Winters served as investment banking adviser to Hill & Valley.

Circle Peak's in-house deal team included Smith, principal John Jonge Poerink, senior associate Holbrook Forusz and associate Dan Gaspar.

The firm's portfolio includes packaged-food and beverage businesses such as Steak-Umm Co., Cole Water Co. LLC and Chomp Inc.

Smith said Hill & Valley's growth strategy will include broadening its existing product offerings and grocery channel distribution and raising its Hill & Valley brand profile.

The company also will pursue selective acquisitions of complementary businesses, he said.