

Morgan Lewis Reps Campbell In \$231M Garden Fresh Deal

By **Dani Meyer**

Law360, New York (June 9, 2015, 4:16 PM ET) -- Campbell Soup Co. has agreed to buy chips-and-dip maker Garden Fresh Gourmet for \$231 million in a deal advised by Morgan Lewis & Bockius LLP, the company announced Tuesday, the latest acquisition in a growing trend of food companies acquiring organic packaged food businesses.

The privately owned Ferndale, Michigan-based company known for its fresh salsa, hummus and tortilla chips will join the Campbell Fresh division, which will focus on expanding the scale and growth of Garden Fresh Gourmet.

"Garden Fresh Gourmet is an American success story, whose leadership has built a vibrant brand with a loyal following in faster-growing categories like refrigerated salsas and hummus. We will leverage our packaged fresh production and distribution, sales and brand-building capabilities to help Garden Fresh Gourmet become a national brand," Campbell Fresh President Jeff Dunn said in a Tuesday statement.

Garden Fresh Gourmet generated more than \$100 million in net sales in 2014, according to New Jersey-based Campbell, and will help the Campbell Fresh division grow to more than \$1 billion in annual net sales.

Garden Fresh Gourmet was founded in 1998 by Jack and Annette Aronson, who made their first batch of salsa in their restaurant before eventually packaging it and selling it in stores. Today, the company has more than 500 employees and touts itself as the maker of America's top refrigerated salsa.

Founder and CEO Jack Aronson, who will stay on as an adviser, wrote on the company's Facebook page Tuesday that he chose Campbell "because they share our commitment to crafting authentic, great tasting products using high quality ingredients. By tapping into each other's strengths we will be able to bring more of your favorite Garden Fresh Gourmet products to more locations, nationwide."

Campbell expects the transaction to close in the fourth fiscal quarter, although it is subject to regulatory approval and customary closing conditions. It plans to fund the acquisition with commercial paper.

Steve Sallen, president and CEO of Maddin Hauser Roth & Heller PC, which represented Garden Fresh Gourmet in the deal, said in a Tuesday statement that he can't wait to see what's next for the company.

"I am proud of the fact that, as general legal counsel and member of the board of directors, I have had a front row seat to this wonderful American success story these past thirteen years. The folks at Garden

Fresh Salsa are not just my clients, they are my friends,” Sallen said.

Campbell's acquisition of Garden Fresh Gourmet is part of a growing trend of food companies acquiring smaller organic and fresh businesses.

Hormel Foods Corp. agreed to buy Applegate Farms LLC in May, paying \$775 million to build out its organic meats space, while General Mills Inc. paid \$820 million in September for natural and organic food company Annie’s Inc.

Campbell is represented by a Morgan Lewis & Bockius LLP team led by Rich Aldridge and Andrew Rocks, with partners Tracy Steele, Judy Walkoff, Harry Robins, Patrick Rehfield, Paul Gordon and Karen Butcher and associates Vivian Kim, Danielle Moseley, Jyoti Kuvelker, Andrew Mariniello, Tracey Milich and Katie Glynn.

Garden Fresh Gourmet is represented by Steven Sallen, Stuart Bordman and Geoffrey Taylor of Maddin Hauser Roth & Heller PC. It was also advised by UHY LLP.

--Editing by Richard McVay and Kelly Duncan.

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