

SLC candy maker gets \$2M capital

Grace Leong, Daily Herald, March, 2008

The [parent company] of Kenkraft Candy in Alpine and Maxfield Candy in Salt Lake City received \$2 million in seed money from Dolphin Capital, a Park City private equity company, to expand its product line and candy brands.

Dynamic Confections, which is co-owned by majority owners Taz Murray and Dave Taiclet, was spun off from Alpine Confections Inc. in April 2006 when Alpine sold its 54 Fannie May/Fanny Farmer retail stores and two Harry London stores nationwide to 1-800-Flowers.com for \$85 million. Alpine Confections, which acquired Fannie May chocolates in 2003, was renamed Fannie May Confections Brands, now operated by Taiclet, its president.

Dynamic, a privately owned wholesale candy manufacturer, now owns Mrs. Fields Decadent Chocolates, Botticelli, Dolce D'or, Maxfield's, Fernwood Chocolates, Bogdon Candy, Hallmark Chocolatier and Kenkraft, and generates more than \$50 million in revenues annually. The Salt Lake City company has 750 workers at its four candy-making plants -- Maxfield Candy, Kenkraft, Bogdon Candy in Kansas City, Mo., and House of Brussels in Vancouver, British Columbia.

"We're looking to sell more high-end regional brands like House of Brussels, Kenkraft and Bogdon to destination retailers like Williams-Sonoma and department store chains like Macy's. We're also planning to buy more candy brands and expand our product lines," said Murray, the company's chief executive.

Dynamic currently sells Maxfield's, Mrs. Fields and other brands through grocery store chains such as Albertsons, Smith's Food and Drug, Macey's, Harmon's and several other Associated Food stores; Walgreens and Rite Aid drug stores; and mass retailers including Wal-Mart, Kmart and Shopko; and Sam's Club.

"It's hard to raise less than \$5 million in growth capital. Most big money houses are focused on \$10 million to \$15 million investments. We didn't want to get too much growth capital because we didn't want to give up too much ownership in the company," Murray said.

Dolphin said on its Web site that it is investing in Dynamic Confections's efforts to eliminate "unnecessary overhead, improve margins, consolidate product lines and centralize its sales force."

"It's an established company with a good management team," said Mike Dutton, one of several partners in Dolphin, and also a minority owner of Dynamic Confections. "We invested

in Dynamic Confections because it's a local company whose reach is national and growing in other countries."

Dutton is also chief executive of Winder Farms of West Valley, formerly known as Winder Dairy and one of several Utah companies in Dolphin's investment portfolio. Other existing Dolphin investments include Ragnar Relay of Bountiful, the GSL Brine Shrimp Cooperative in Mountain Glen, and Sea to Ski of Park City.