

[Comvest Group buys majority ownership of Haggen](#)



Incoming CEO Clarence Gabriel, center, talks with brothers Rick and Don Haggen (left and right, respectively) while walking through the Haggen store in Barkley Village on Feb. 17. Ryan Wynne | BBJ

by [Ryan Wynne](#)

Filed on 17. Feb, 2011 in [News](#)

The [Comvest Group](#), a private investment firm headquartered in West Palm Beach, Fla., is purchasing a majority ownership position in [Haggen Inc.](#) from brothers Don and Rick Haggen and their families.

The deal should be finalized by mid-March, Rick said in a phone interview.

At this point, neither side will disclose how much Comvest invested in Haggen, or what percentage of shares it will own, said Clarence Gabriel, who will take over as CEO and

president of the company once the deal is finalized. Gabriel has served in senior positions at several companies, including Albertsons and Pepsi-Cola North America.

“I am excited to be joining the company and moving to Bellingham,” Gabriel said in a press release. “The Haggen family, store managers and employees have built a wonderful legacy. We have good momentum that we intend to build on in the months to come.”

The Haggen family founded the company in 1933 and has owned it since. They decided to sell a majority of shares in the 3,000-employee grocery chain because they wanted to gain more capital and grow the business, Don Haggen said.

After the sale, the family will retain a significant minority ownership stake and will continue to be involved in the company.

“The Comvest Group’s investment in Haggen will maximize our potential and allow us to strengthen our market share in the highly competitive grocery industry,” Don Haggen said in a press release. “We are looking forward to serving our customers and remaining closely connected to our community for another 78 years.”

Comvest is a private investment firm focused on providing equity and debt capital to lower middle-market companies, including companies such as [Allegiant Air](#). Since 1988, Comvest has [invested](#) more than \$2 billion of capital in more than 200 public and private companies worldwide.

This is Comvest’s first foray into the grocery industry. Comvest saw Haggen as an attractive investment because it has an affinity for regional chains such as Haggen and has been impressed with activity at the grocery chain over the past four to six months, Gabriel said. He has seen the guest count increase, costs cut, and prices made more competitive.

“We have been very impressed with the exceptional quality and customer service we have found in the Haggen and TOP Foods stores,” John Caple, managing director of Comvest, said in a press release. “The company has a long history of innovation and community involvement; we look forward to continuing that legacy.”

With the exception of [current CEO and President Jim Donald](#), who is stepping down to serve an advisory role, the Haggen management team will remain in place. Donald has led the company since October 2009, before which time he worked at Starbucks as president, North America.

“Jim Donald led this company during some of the most challenging economic times our industry has faced,” Rick Haggen said in a press release. “He made some tough decisions to make us leaner and better equipped to survive this recession. We are grateful for all of his many contributions.”

Haggen's headquarters will remain in Bellingham and customers and employees shouldn't notice many changes on the shelves, in the offices or in the coffers of local charities, Rick Haggen said.

"The people in the office will be the same today as they were yesterday," he said.

Haggen Inc. operates 30 supermarkets in Washington and Oregon under the Haggen Food & Pharmacy and TOP Food & Drug names. It is the largest independent grocer and sixth-largest private company based in Washington. For more information, visit www.haggen.com and www.top-foods.com.