

BBX Capital acquires It'Sugar of Deerfield Beach for \$57 million

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By Marcia Heroux Pounds

FORT LAUDERDALE — BBX Capital has gobbled up another area confectioner — this time, the It'Sugar candy retail chain for \$57 million.

The Fort Lauderdale-based real estate investment and timeshare company said Monday it intends to add the Deerfield Beach candy retailer, which targets adults as much as children with its sweet treats, to its existing BBX Sweet Holdings division.

It'Sugar "fits pretty naturally," said Jarett Levan, president of BBX Capital, referring to its Hoffman's Chocolates and Las Olas Confections holdings, a wholesale company.

"We love the industry. It's a \$34 billion industry with lots of room for growth," he said.

BBX will support the continued expansion of the candy retail chain, already in 95 locations in 25 states and Washington, D.C. Levan said It'Sugar recently opened a store on the Jersey Shore and plans to open another.

He said BBX would partner with It' Sugar founder and CEO Jeff Rubin to further expand the retail stores and "grow the brand in other channels." Rubin will remain in his current executive position and retain a "meaningful interest" in the business, BBX Capital said.

"This brand is very special and the goal is to make it a billion dollar brand and global," Rubin said. "We want to make It'Sugar a household name everywhere, not only South Florida."

Rubin previously said Europe was a target for expansion. "They eat more sweets in Europe per capita than Americans do," he said. But on Monday, Rubin said there are still plenty of opportunities in the U.S. to add before venturing abroad.

Over the past decade, Rubin built It'Sugar into a national retail chain.

The stores offer candy with a humorous twist including giant boxes of Nerds and Sour Patch Kids, and political and popular trends, such as "Schweddy Balls" from the infamous Saturday Night Live skit — made of rice crisps, chocolate and sprinkled with salt.

The son of a toy store operator, Rubin, 52, grew up working summers in retail. At school, he sold Bubble Yum to fellow students. Rubin said he went on to study economics at the University of Michigan and later received his MBA at University of Miami in 1989.

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In 1996, he made his first foray into retail by working the candy counter in FAO Schwarz' Manhattan toy store. He helped launch Dylan's Candy Bar in 2001 with Dylan Lauren, the daughter of fashion designer Ralph Lauren.

On the strength of those experiences, Rubin and his wife, Allison, developed It'Sugar — named to stand out as an irreverent candy company. In a time when many retailers focused on healthier eating and smaller portions, the Rubins offered outrageously big candy bars and boxes.

During the 12 months ended April 30, It'Sugar generated revenues of \$78.4 million. BBX's ownership represents 93 percent of It' Sugar's privately held stock.

BBX Sweet Capital Holdings' wholesale and retail business is expected to have revenues, following the acquisition, of \$110 million to \$115 million, the company said.

It'Sugar employs 50 people at its Deerfield Beach headquarters and 1,000 at stores nationwide, Rubin said.

In an interview last year, Rubin said he applied the brakes on store expansion plans in 2009, as tough economic times took hold. But candy turned out to be somewhat recession-proof, he said.

It'Sugar turned to private investors in 2007 and 2012, raising undisclosed amounts from Prentice Capital Management and, later, from Star Avenue Capital, the company said. Those funds helped the chain expand.

Mario Ciampi, partner in Prentice Capital Management in Greenwich, Conn., said last year that the firm invested in It' Sugar because it offers a consumer experience. The store chain is "fun, it's colorful, music is blasting. Who doesn't like candy?," Ciampi said.

Rubin said he and his wife decided to sell the business to BBX because they felt that "Jarett shared in the passion for the business. I knew he would be a great partner to grow this."

And he added, ""I found someone who has a bigger sweet tooth than me."