

Area group buys coffee seller

The private-equity group acquires Texas business that sells supplies online

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A recently created Richmond private-equity group is getting into the coffee-supply business.

Boxwood Capital Partners LLC said yesterday that it has bought Coffee Wholesale USA Inc., a Texas-based online seller of coffee and coffee equipment, teas, instant mixes and sports drinks.

Terms of the deal were not disclosed. It is the first acquisition for Boxwood Partners since its creation last year as an investment firm focusing on mergers and acquisitions.

"In March of this year, we started Boxwood Capital Partners to make selective private-equity investments," said Patrick Galleher, a partner and managing director of the group. "We feel there is a big gap in the Richmond finance community for private equity."

The firm's goal is to acquire early stage but profitable marketing, media, and business-services companies.

With its first acquisition, Boxwood is forming a holding company called eBeverage Wholesale LLC that will be based in Richmond, but Coffee Wholesale USA will keep its name and continue to operate its distribution center in Round Rock, Texas, near Austin.

Galleher said Boxwood plans to hire five to 10 marketing and finance professionals in Richmond during the next year to develop the business. Coffee Wholesale USA is seeing 10 percent to 15 percent annual sales growth supplying customers with coffee and other beverage products and supplies. About half of its customers are individuals, and about half are commercial buyers such as office managers.

"We plan on adding additional products to the mix," Galleher said. "We see the Internet becoming the source of ordering consumable products."

Galleher is the former chief executive officer of WLink, a Richmond-based investor relations and webcasting company that was acquired by a New York-based private-equity firm in 2006. Boxwood's partners and managers include former executives from WLink, Harris Williams & Co, and Wachovia Securities.

Boxwood said it pulled together investors from the U.S. and Europe as limited partners in eBeverage Wholesale, but it did not disclose the investors. Contact John Reid Blackwell at (804) 775-8123 or jblackwell@timesdispatch.com.

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