

# High tea with Mo Siegel

Former Celestial boss talks about Whole Foods, his investment firm, improving lives

By Joyzelle Davis  
ROCKY MOUNTAIN NEWS

Mo Siegel might've stepped down five years ago from Celestial Seasonings, the herbal tea company he co-founded at age 19 and spearheaded for the better part of three decades.

But don't think for a moment that he's retired.

Siegel, at 57 still looking youthful with his shaggy blond hair, sits on the boards of four companies, ranging from Whole Foods to hydration systems maker CamelBak, hikes to the top of the Flatirons each morning and helms his own private investment firm.

"I'm a busy, busy boy," said Siegel, his eyes crinkling with mirth as he works the crowd after giving a rare speech at the Naturally Boulder natural-foods conference late last month. "I really couldn't be much busier."

Siegel, who co-founded Celestial Seasonings with friend Wyck Hay in 1969, helped turn Boulder into the epicenter of the natural-foods industry, spawning companies ranging from Wild Oats to Horizon Organic milk. Hay's brother, John, joined the company in 1971.

While today natural and organic foods are staples at supermarkets across the country, Celestial Seasonings was one of the first natural-foods companies to look beyond health-food stores for customers, said Darrin Duber-Smith, president of Green Marketing and a visiting marketing professor at Metropolitan State College of Denver.

"Celestial was really the first high-profile natural-foods company because they had a multichannel strategy," he said. "They were the first company to make that OK."

Siegel has parlayed his experience to help develop other healthy lifestyle-focused companies, whether it's dispensing advice informally or in his role on the boards of companies, including L'il Critters Gummy Bear Vitamins maker Avid Health and Annie's Homegrown, which makes a variety of macaroni and cheese.

Celestial in 2000 merged with Melville, N.Y.-based Hain Food Group, the maker of Terra Chips and Arrowhead Mills flours, in a deal valued at \$330 million in stock. Siegel stayed on for two years as vice president to help oversee the transition but made no secret of his desire to spend more time with his growing family — five children and four grandkids — and make up for decades of 80-hour workweeks.

Not to mention that after years of running his own business, "it was a real surprise when people tell you what to do," Siegel admitted, pausing a beat.



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**Celestial Seasonings founder** and Whole Foods board member Mo Siegel started riding a scooter about six months ago after reading about the Western world's dependence on foreign oil.

## Celestial's history

The history of Celestial Seasonings is a well-told tale: Siegel, along with friend Wyck Hay, began harvesting herbs in the mountains outside of Boulder in 1969.

They packed Mo's 36 Herb Tea into hand-sewn muslin bags with the help of friends and family, and sold it to health-food stores around the country.

In 1971, Wyck's brother, John, joined. "He was the money guy," Siegel jokes. "He actually owned a car." With the launch of Red Zinger Tea in 1972, Celestial Seasonings was born.

In 1984, Kraft purchased Celestial Seasonings for about \$41 million. Siegel left but returned in 1991 after Kraft sold the company back to its management.

## What he's up to now

- Serves on the board of directors of Whole Foods Market, Annie's Homegrown, Avid Health and CamelBak

- Serves on the nonprofit boards of Jesusonian Foundation and Urantia Foundation

- Runs Capitol Peaks, an investment firm that's funded primarily with his own money

- Has five children, including two teenagers with his second wife, Jennifer, and four grandkids





DARIN MCGREGOR/ROCKY MOUNTAIN NEWS

**Celestial Seasonings co-founder** and Whole Foods board member Mo Siegel was the keynote speaker Oct. 26 at Naturally Boulder, an

annual natural-foods conference in Boulder for entrepreneurs, manufacturers and sellers of organic and sustainable products.

## ORGANIC: More mountains to climb

Continued from page 1  
shots. His Capitol Peaks Investment firm invests in "a broad range of stuff. Tons of stuff. Hedge funds. Private equity deals. Startups," he said, then stops himself and vigorously shakes his head. "Actually, I don't like start-ups."

His entrepreneurial bent carried on to one of his daughters, Sarah Siegel-Magness. Her Los Angeles-based So Low started out making low-rise underwear in 2001, expanded into sportswear and gained a celebrity following.

### Insider's look at buyout

As one of the seven members of the Whole Foods board of directors, MO Siegel had the unique perspective on the grocer's buyout of Boulder-based Wild Oats. What started as a straightforward merger between the nation's two biggest natural-foods stores became headline news when federal regulators in June challenged the deal on antitrust grounds. In the court battle that followed, it was revealed that Whole Foods' CEO John Mackey had anonymously posted comments on Internet financial message boards for a seven-year period under the pseudonym "Rahodeb."

Siegel was on the committee that investigated whether Mackey engaged in potential wrongdoing and says he can't comment on the matter because it's still before the Securities and Exchange Commission. But he isn't reticent about his affinity for the company.

"I love Whole Foods, so it was hard. It was a trial," he said. "I don't want to speak for Whole Foods, because I can't, but it was hard to watch because we're a terrific company and this (deal) is good for the industry."

Siegel, who was born in Salida and raised in Palmer Lake, grew up with an ardent affection for the outdoors in spite of severe asthma.

He outgrew the respiratory problems but not his love for hiking. In 2005, he completed his childhood dream of climbing all 54 of Colorado's 14,000-foot peaks, capping it off with Culebra Peak. He still hikes about three a year to be social with friends.

### Alternative transportation

Siegel uses modest means of transportation. While at Celestial Seasonings, Siegel could be seen pedaling his bike to work each day and in the 1970s started the Red Zinger bicycle race to promote the company's namesake tea. These days, Siegel zips around on a motor scooter, which he bought midway through reading Lawrence Wright's *The Looming Tower: Al-Qaeda and the Road to 9/11*, which delves into the Western world's dependence on foreign oil.

"I was so upset. I decided right there that I'm not spending any more money on gas than I need to," he declared.

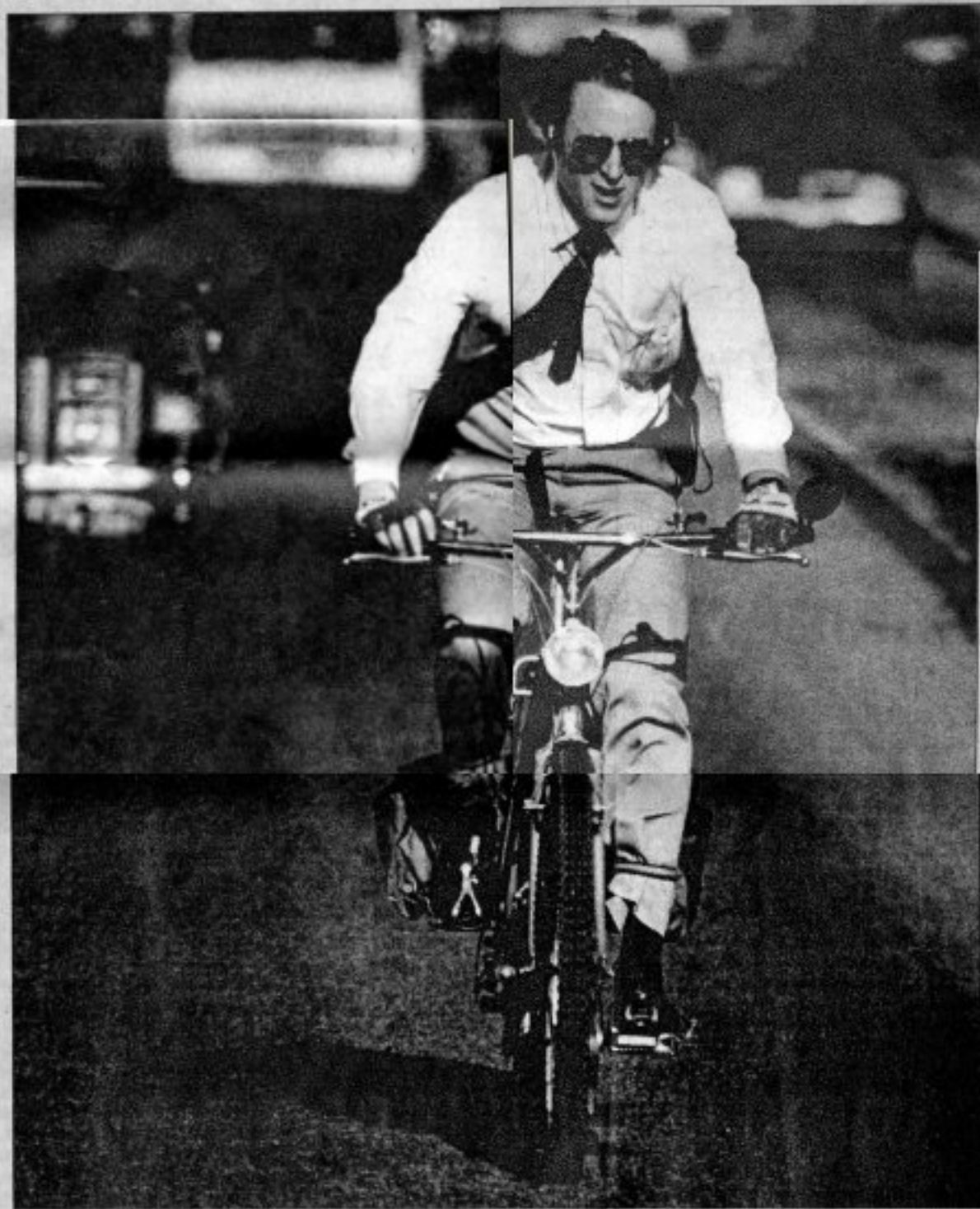
The longtime Democratic Party fundraiser once considered running for the Senate or other elected office before deciding in his 30s that he wasn't prepared for that kind of public scrutiny.

Today, Siegel throws himself into a range of charitable activities, including helping recruit corporations for 9News' 9Cares Colorado Shares Holiday Drive, a food and clothing campaign. He's fond of quoting Mother Teresa's adage that one has to be willing "to give until it hurts."

Siegel doesn't reference Mother Teresa lightly.

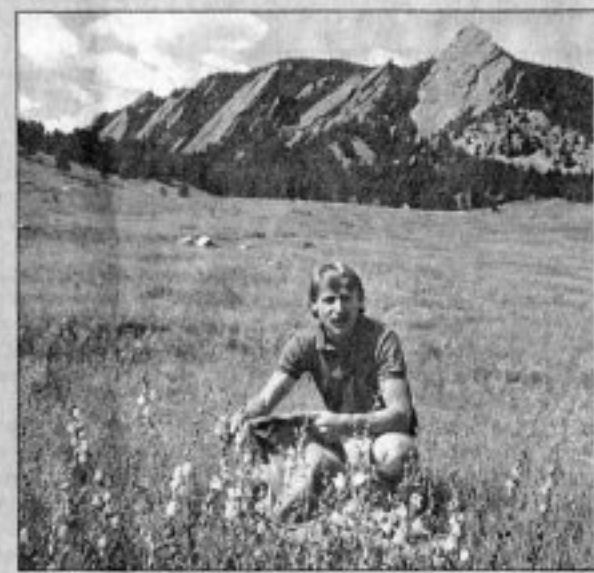
Born Jewish, Siegel's interest in Christianity dates to his stay as a teenager at The Abbey, a monastery and college preparatory school in

### A LOOK BACK



▲ **An avid cyclist**, Mo Siegel rides his bike to work in 1984. Siegel started the Red Zinger Classic, which grew into the famed Coors Classic, a bicycle race that started in Boulder and attracted top riders from around the world.

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◀ **Mo Siegel**, in 1969, scoured Boulder County for natural herbs to add to his tea company, Celestial Seasonings.

SPECIAL TO THE ROCKY/1969

Cañon City. There he developed a spirituality that led to his fascination with *The Urantia Book*, a spiritual and philosophical tome that includes Jesus' life and teachings, which he read at age 19. In the 1980s, Siegel founded the nonprofit Jesusonian Foundation, which is dedicated to spreading the word about the 2,097-page book whose authorship is unknown.

Siegel has seen the natural-foods in-

dustry grow up practically from infancy, and he is more confident than ever about the industry's growth. Even though Celestial Seasonings engaged in a fierce battle with Unilever's Lipton Tea in the late 1970s and '80s, Siegel has never considered big business inherently bad and said he's "thrilled" that large companies from General Mills to Costco are helping to bring natural food to the masses.

"It's not about money, it's about do-

ing something that makes people's lives better," Siegel told his Boulder audience. "Go to the Chicago airport and look around. There's a lot of people who weigh a whole lot too much. There's a lot of heart disease, a lot of cancer. We have to stay focused on getting people healthy and keeping people healthy."

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