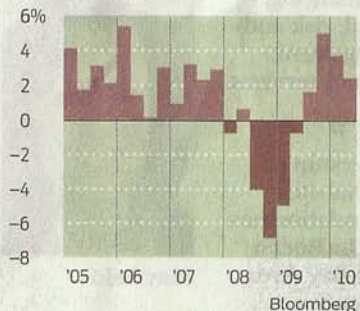


Number of the day

2.4%

That's how much the economy grew in the second quarter, the **Commerce Department** reported last week. The latest figure for gross domestic product, or the total value of goods and services produced, came in below forecasts and was sharply lower than the first quarter's 3.7 percent annual growth rate. "The economy is muddling through," said Merrill Lynch economist Ethan Harris.

Slowdown: quarter-over-quarter change in gross domestic product, annualized



Hear here

"It's a betrayal. It saddens me as an American that a company would stoop so low as to make a profit on the death of a soldier. Is there anything lower than that?"

Cindy Lohman — whose son Ryan was killed by a bomb in Afghanistan — after learning that an insurance company, **Prudential Financial Inc.**, earned money on his \$400,000 death benefit. Prudential handles life insurance for the **Department of Veterans Affairs** and held the money in a general corporate account that earned 4.8 percent while paying Lohman and other survivors only 1 percent interest in 2008. **Story is on Page D2.**

Heads up

Clorox will report quarterly earnings Tuesday. Analysts expect sales and profit for the largest maker of bleach to be little changed from a year earlier, when the Oakland company reported net income of \$1.20 per share on \$1.5 billion in revenue. Clorox, which is trying to sell its STP and Armor All auto-care brands, has posted higher profit in each of the past five quarters.



J.B. Reed / Bloomberg News

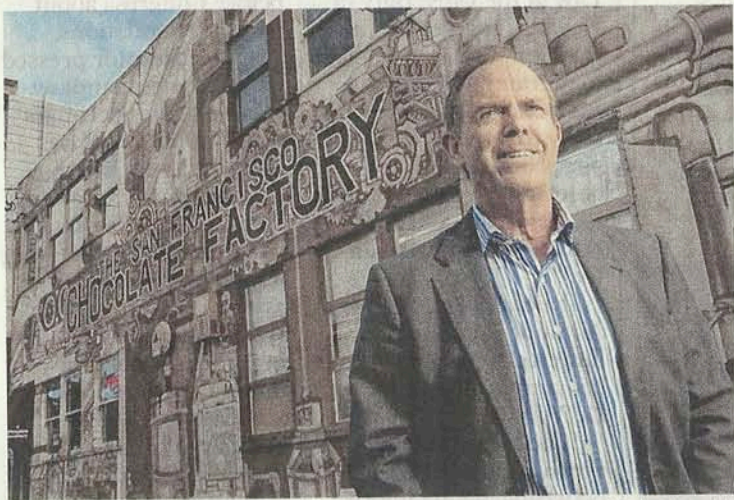
Bloomberg Market Report

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Business Report

The Chronicle with Bloomberg

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Chad Ziemendorf / The Chronicle

Mike Litton recently changed his company's name to **Bridge Brands**, with "Got Milk?" chocolate and a line in wineries.

MEET THE BOSS *By Suzanne Herel*

Career path full of detours ends up with a sweet niche

By Suzanne Herel
CHRONICLE STAFF WRITER

By his own admission, many of the successes Mike Litton has enjoyed have been the product of "pure accident."

But considering he runs a chocolate company in the city by the bay, he's not complaining.

Litton, 59, founded the San Francisco Chocolate Factory 10 years ago and now spends his days thinking up new niches for the bite-size disks that are sold in personalized tins around the world.

Perhaps the most recognizable is the six-piece set of chocolates whose percentages are calibrated to complement

wine, from port to zinfandel, available in 750 wineries across the country.

"We sat down with 20 bottles of wine and a bowl of chocolate," Litton said of the pairings, which range from 54 percent dark chocolate to 72 percent.

Boss continues on D6

Last career detour was the sweetest

Boss from page D1

Before entering the world of premium chocolate, which traditionally has included a number of players in the Bay Area, Litton was a commodities trader.

Of course, he became one by accident.

Litton was on his way to law school in Los Angeles when, on the advice of a friend, he checked out the Thunderbird School of Global Management in Glendale, Ariz. He liked what he saw, and a couple weeks later, he was enrolled.

"I talked my way in," Litton said recently in his small office on 12th Street in San Francisco's Mission District.

"It was the best thing that ever happened in my life."

His first job, at Fidelity Bank in Philadelphia, not so much.

"I hated it," he said. One day, bored, he walked across the street and chatted up the folks at Woodward and Dickerson. Once again, he talked his way into a position.

Before he knew it, he was in Amman, Jordan, as the Mideast manager for the commodity trading company. Then he moved to London, where he was regional manager for the Mideast and North Africa.

Litton's passport from that time is so full that it's falling apart. It's a testament not only to his profession, but his per-

sonality. "I can't sit still," he said.

Litton grew up with three sisters on Long Island, the son of a Pan Am pilot. With the cost of transportation not an issue, he set off to Switzerland for high school.

In 1987, Litton founded Bridge International Co. in San Francisco, a commodity trading firm. Among its exports are raisins and almonds; it trades in cocoa.

Then, about 10 years ago, he decided to branch out with a retail product.

The San Francisco Chocolate Factory, he said, "started with me, one Colombian cocoa trader and a pingpong table" in an office on Drumm Street. When Litton's kids, who lived in Sweden, came to visit, he would pay them to pack tins.

From the San Francisco Chocolate Factory's first six-piece San Francisco set, the company has grown bit by bit, niche by niche.

Mike Litton

Work: founder, president, San Francisco Chocolate Factory

Age: 59

Family: wife, Beth; daughter, Sabrina; twin sons, Maxwell and Oskar

Residence: Russian Hill, San Francisco

Hobbies: sailing, family time

Quote: "We're limited only by our imagination."

Can't live without: friends

Favorite chocolate: equally fond of 55 percent and 72 percent cocoa

It now markets several brands, including the "Got Milk?" line, for which it is the only licensed chocolate maker. Recently, Litton gathered them all under the umbrella of Bridge Brands, as the chocolate increasingly is being marketed outside the Bay Area.

The factory employs 18

people, Litton said. He brings in the beans, and the company's signature chocolate disks are made to his specifications in South San Francisco.

While some area chocolate companies concentrate on using organic or fair trade beans, Litton said he prefers to use a blend to ensure continuity of taste, and because the vast majority of cocoa beans available are not organic or fair trade.

His company doesn't make truffles, chocolates with filled centers or other fancy confections.

"We want to stay off the main highway" of the industry, Litton said.

What the company does make are simple little wafers that melt in your mouth.

After all, Litton said, "Good quality chocolate is really special in its own right."

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