



August 27, 2007

Restaurant Equipment is going Green

The restaurant industry is increasingly turning heads for efforts to reduce its carbon footprint. Being the retail industry's largest consumer of electricity, this is a welcoming sign. Whether that means switching to Energy Star Appliances, increasing recycling, or using non-toxic cleaning products, industry experts are noting a growing trend. Leading the charge is the Green Restaurant Association (GRA), which is a non-profit group that is dedicated to helping the restaurant industry become more environmentally conscious. The GRA provides restaurateurs with information on how each individual restaurant can reduce its energy consumption. The organization also has a highly touted green certification, which it grants to restaurants that meet its strict requirements.

One example for how this can be achieved is the B.R. Guest Restaurant Group, which recently received a green certification from the Green Restaurant Association. B.R. Guest operates a number of restaurants in New York, Chicago, and Las Vegas. In order to achieve a GRA green certification, restaurants must take four steps a year to reduce their ecological impact. This can mean small steps, such as instituting comprehensive recycling programs or eliminating Styrofoam for more biodegradable containers. It can also mean taking large actions, such as switching old, inefficient equipment for modern, Energy Star rated appliances. While the upfront costs may be significant, many of the steps that restaurants can take pay for themselves after only a year or two. For the B.R. group, this meant eliminating Styrofoam and one-use products, installing low-flow aerators, and implementing a recycling program. Additionally, the B.R. Guest group is also researching energy efficient lighting for its restaurants. With the American society becoming increasingly aware of the concepts of environmental sustainability, global warming, and carbon footprints, the restaurant industry is doing itself and the environment a favor by doing its part. With more than 300 restaurants now achieving the GRA's green certificate, the restaurant industry is increasingly becoming green. As GRA founder Michael Oshman says, "It takes some getting used to (going green), but eventually it becomes a way of life." With America's increasing desire to be environmentally conscientious, turning your restaurant "green" not only will reduce your costs and carbon footprint, it may also draw a new clientele.

Source: ShortOrder.com

Pizza Inn CEO Resigns Abruptly

Tim Taft, president and chief executive of Pizza Inn Inc., resigned effective immediately to take advantage of "other opportunities that have presented themselves," he said late last week. Franchisees of the company, based in The Colony, responded with shock and sadness. The abrupt departure comes less than three years after Mr. Taft was brought in to boost sales and shore up sagging franchisee morale. Since coming to Pizza Inn in March 2005 – at an initial annual salary of \$1 – Mr. Taft has been lauded by franchisees for his

energy and efforts to make franchise ownership more profitable. In February, the company reported its first quarterly profit since 2004. "I waited to leave the company until the company was in a favorable position," said Mr. Taft, 49, who declined to give details on his plans. "I'm leaving the company with a very, very bright future for the employees, the shareholders and the franchisees." The Pizza Inn board appointed chief financial officer Charlie Morrison interim CEO. Larry Rust, former president of the Pizza Inn franchisee association, said the ideas put in place during Mr. Taft's tenure – including upgrading the look of some of the older locations, lowering prices on food items purchased by franchisees and creating more uniformity – helped boost his weekly sales almost 50 percent. "He has been a true blessing to me and my family and most of the Pizza Inn franchisees," said Mr. Rust, who owns a Pizza Inn restaurant in western Kentucky.

Source: The Dallas Morning News

Alto-Shaam Announces Executive Changes

Alto Shaam named Karen Hansen its new chief executive officer and chairman of the board. The Menomonee Falls, Wis.-based equipment manufacturer also named Steven Maahs, president and chief operations officer. Hansen joined Alto-Shaam in September 1986 and was promoted to president and chief operations officer in 2002. As CEO, she will also maintain her position as president of Enthemics Medical Systems, a sister company in the medical field that produces blanket and fluid warmers. Maahs started with the company in 1988 and was promoted to national sales manager in 1990. He later moved up to executive vice president in 2002.

Source: PrimeTimes/PrimeAdvantage/Alto Shaam

Couple Spends nearly \$50,000 Eating McDonald's

An 84-year-old British couple who have eaten at their local McDonald's every day for the past 17 years have spent nearly \$50,000 on hamburgers and fries. Lee and Mary Humphrey have scoffed the same meal - a double hamburger each with a shared large fries - more than 6000 times and have never dined out anywhere else, Metro.co.uk reported. The couple has their own table at the fast-food outlet and moved house two years ago to East Sussex so they could be within walking distance. They admitted that McDonald's supplied the bulk of their diet. "We don't eat big when we come home. We like to sit down in the afternoon and watch Deal or No Deal with a Magnum chocolate covered ice cream," Mrs. Humphrey told Metro.co.uk. "Lee will have a bowl of cereal in the morning and I'll make him a pre-cooked roast beef at the weekends." Despite the high amounts of fat they consume, the couple said they were fit and walked 6 km every day. "McDonald's is all we need and we're never ill, in fact I'd say we're fighting fit," Mrs Humphrey said. "I think it's the best restaurant in the world".

Source: News.com Australia

Chick-fil-A Chain Expands in St. Louis

"Eat mor chikin!" That's the message that Chick-fil-A and its mascot marketing symbols semiliterate cows trying to increase chicken consumption with misspelled billboard messages — want to send to metro St. Louis. Last week, the Atlanta-based chain opened a store in Chesterfield, its first freestanding restaurant in the area. It now has four stores within 25 miles of St. Louis, including locations at Southern Illinois University Edwardsville, Des Peres' West County Center and the St. Clair Square mall in Fairview Heights. With nearly 1,300 stores nationwide, it hopes to add perhaps three more around St. Louis in the next year. "Once we get started, we plan to start looking" for additional locations, said Dan Cathy, president and chief operating officer. "This is a very strong market." Judging by the financial results, the reaction from consumers has been positive. Chick-fil-A opens about 70 stores per year, and revenue grew 15 percent last year to \$2.28 billion. Stores open at least a year grew sales 8.5 percent. Still, Chick-fil-A has some ground to make up if it is going to catch market leader KFC, which had nearly 5,400 restaurants in the U.S. at the

end of 2006. Chick-fil-A has avoided public stock offerings for fear of losing the family heritage. Dan Cathy signed a letter of commitment about five years ago, promising his parents that he would not sell the company or open the stores on Sundays. As it spreads out from its geographic base in the Southeast, the company is trying to give its restaurants a more upscale feel with what Cathy calls an "extreme service makeover." Order-takers will offer fresh-ground pepper for the chicken sandwiches, and the tables will have real flowers. "We want people to eat with us for six days of the week," he said. "They can eat with a competitor on the seventh day. That makes our food taste even better on Monday."

Source: St. Louis Post-Dispatch

Cheesecake Factory Names President, COO

Casual dining restaurant operator Cheesecake Factory Inc. said Tuesday Russell W. Bendel will serve as president and chief operating officer of the company's restaurant division and an executive officer of the company, effective Sept. 3. For the past six years, Bendel, 52, has been president and chief executive of Mimi's Cafe. He was also the head of operations at OSI Restaurant Partners Inc. and joint venture partner in the Outback Steakhouse franchise group in California.

Source: The Associated Press.

Delfield Names David Perl Business Development Director, Preparation and Holding Equipment

The Delfield Company announced the appointment of David Perl as Business Development Director, Preparation and Holding Equipment. Perl comes to Delfield from McCall Refrigeration where he served as product line manager. Prior to that, Perl was a part of the well-respected General Electric Commercial Leadership Program. Perl holds a BS in Business Administration from the University of Wisconsin-Green Bay and a MBA in Finance and Economics from Boston University. Perl will be responsible for working with sales, manufacturing, engineering and field representatives to drive profitable, top-line growth for Delfield products in this category. He will be headquartered at Delfield's Covington facility. "David brings a wealth of knowledge and experience to this new role," said Delfield Vice President of Business Development Bill Keske. "He will be a valuable asset as we all work together to dramatically grow the Delfield business."

Source: The Delfield Company

ARAMARK Corporation Announces Extension of Exchange Offer

ARAMARK Corporation announced that it has extended the expiration date of its offer to exchange up to \$1,280,000,000 in aggregate principal amount of its registered 8.50% Senior Notes due 2015 and up to \$500,000,000 in aggregate principal amount of its registered Senior Floating Rate Notes due 2015 for its outstanding unregistered 8.50% Senior Notes due 2015 and outstanding unregistered Senior Floating Rate Notes due 2015. The exchange offer was originally scheduled to expire at 5:00 p.m. (Eastern Standard Time) on Thursday, August 16, 2007, but will now expire at 5:00 p.m. (Eastern Standard Time) on Wednesday, August 22, 2007. As of the close of business on August 16, 2007, \$1,277,700,000 in aggregate principal amount of outstanding unregistered 8.50% Senior Notes due 2015 and \$489,839,000 in aggregate principal amount of outstanding unregistered Senior Floating Rate Notes due 2015 had been validly tendered to the exchange agent by the holders thereof. The exchange agent for the exchange offer is The Bank of New York, Reorganization Unit, Attn: Carolle Montreuil, 101 Barclay Street, 7E, New York, New York 10286.

Source: ARAMARK



Baja Fresh Hires New VP of Franchise Development and Real State

Baja Fresh Mexican Grill, the California-based fast casual fresh Mexican chain, announced that industry franchising and real estate veteran, Craig Hopkins, will be taking the reigns as vice president of franchise development and real estate for the company. Hopkins will be responsible for attracting quality franchise owners and leading growth efforts nationwide for Baja Fresh and La Salsa moving forward. Hopkins joins the company with more than 24 years of franchise experience, most recently from CKE restaurants where he held positions between 1996 as director and vice president franchise development working, until joining Baja Fresh and La Salsa. He also worked as director of franchise development for A.F.C. Enterprises from 1993 to 1996 and manager and director of franchise development from 1984 to 1993 with Arby's Inc. "Our franchised chains comprise a large amount of our restaurants," said James Walker, president, Baja Fresh. "We are excited to have an industry veteran like Craig join our team to lead strategic initiatives furthering our franchising and real estate development. His experience will be invaluable to the company as we continue to expand our restaurant chain with the addition of new Baja Fresh corporate and franchised run restaurants and La Salsas to our repertoire."

Source: Baja Fresh Mexican Grill

Red Robin Gourmet Burgers Announces the Appointment of Pattye L. Moore to Its Board of Directors

Red Robin Gourmet Burgers, Inc. announced the appointment of Pattye L. Moore to the company's board of directors effective August 15, 2007. Ms. Pattye Moore served as President of Sonic Corp. from 2002 until 2004. In that position, she was responsible for company store operations with 500 units, franchise and field services, operations services and marketing and brand development. Moore is currently a consultant, speaker and author, specializing in leadership development, brand development, marketing and strategic planning. Clients she has worked with include Sonic Corp.; Red Robin, VICORP Restaurants, Inc. and BancFirst Corporation. She has been a valued consultant to Red Robin on its recent national media strategy as well as its marketing efforts over the last three years. Moore recently co-authored Confessions from the Corner Office, a book on leadership instincts. Advertising Age magazine named Moore one of the "100 Top Marketers in the U.S." in its June 26, 2000 issue. In 2002, Nation's Restaurant News named her one of the top 50 women in foodservice. "On behalf of the entire board, I am delighted to welcome Pattye to Red Robin," said Dennis Mullen, Chairman and Chief Executive Officer. "With her extraordinary restaurant and leadership background, she will be a wonderful addition to our board."

Source: Red Robin Gourmet Burgers, Inc.

Exciting Changes at Edlund Company

Edlund Company, Inc. has announced the election of Peter Nordell to President and Chief Growth Officer and the appointment of Jim Calamito to the newly created position of Vice President of Global Sales, both effective August 1st. Previously Senior Vice President of Global Sales and Marketing with more than

seventeen years at Edlund, and a forty year industry veteran, Peter has been integral in expanding Edlund Company's product line with numerous new product offerings in the smallwares and can opening systems categories, and Gourmet Housewares. Peter also launched Edlund's global initiative ten years ago and since then the company has expanded its worldwide presence to include a European Distribution Center, an extensive sales network of direct and manufacturer representatives, and strong dealer and distributor networks around the world. Peter served on the Board of NAFEM for eight years and in 2006, he was the recipient of the MAFSI Market Mover Award. As President and CGO, Peter will continue pursuing his vision of growth for Edlund and to bring the company to a new level of product innovations and sales. Jim Calamito joins Edlund Company from a 21-year career at Carlisle Foodservice Products, a division of the Carlisle Cos., where he was most recently Vice President of International Sales, and managed a vast network of distributors and representatives as well as a logistics warehouse in Holland, and joint venture operations in China . He is considered one of the most knowledgeable persons of International Business within the Foodservice Equipment and Supplies Industry. Prior to that appointment, Jim was Vice President of Sales, responsible for both the Domestic and International Sales Functions at Carlisle.

Source: The Edlund Company, Inc.

California Pizza Kitchen Opens First Restaurant in Mexico

California Pizza Kitchen opened its first location in Mexico Tuesday, located in the Bosques de Las Lomas neighborhood in Mexico City. The new restaurant was opened by the company's franchise partner Grupo Calpik S.A. de C.V., the company said in a release. The 5,900 square-foot restaurant seats about 220 people and features an open-exhibition kitchen, according to a release.

Source: Los Angeles Business/bizjournals

Franchisees File Class-Action Suit Against Quiznos

Owners of Quiznos franchises have filed a class-action lawsuit against the fast-food sandwich chain in the U.S. District Court for the District of Colorado. The Toasted Subs Franchisees Association Inc. (TSFA), which represents disgruntled franchisees of Denver-based Quiznos, filed the suit on behalf of an estimated 5,000 owners nationwide, "alleging that the franchisor has systematically defrauded its franchisees in a scheme designed to build the brand at the expense of its operators in the field," it said in a news release. The lawsuit contends the company forces franchisees to buy food, supplies and services from Quiznos or its affiliates at inflated prices while also setting low retail prices for its products. The franchisees also allege that Quiznos "unlawfully participates in a scheme to sell the franchises by omitting or otherwise misrepresenting key facts about Quiznos' business operations," the news release said. Quiznos' chief legal officer, Rich Emmett, said he hadn't seen the legal filing. But based on his reading of the press release, "There is nothing new from what this same attorney has alleged in other cases," Emmett said, referring to the plaintiffs' attorney, Justin Klein of New Jersey. Klein "has made a living out of suing Quiznos, and this is just more of the same," Emmett said. "It's very disappointing because everybody here at Quiznos is working very hard to improve franchisee profitability and communications. We've taken over 4 percent of food costs out of franchisees' costs this year alone ... It's disappointing that he would create a distraction, or attempt to create a distraction, from what we're trying to do on behalf of the very franchisees that he claims to be representing." Klein represents plaintiffs in other pending lawsuits against Quiznos, including a class-action civil suit filed in late 2006 that alleges the company sold franchises it had no ability to open. On Tuesday, Quiznos settled a months-long dispute with a Texas franchisee, according to the Associated Press. Klein also represented that franchisee.

Source: The Denver Business Journal



Brinker Says it May Sell Troubled Macaroni Grill

Dallas-based Brinker International Inc. said last week that it has begun exploring the potential sale of its troubled Romano's Macaroni Grill brand. Brinker, which owns four brands, including Macaroni Grill and its flagship, Chili's Grill & Bar, made the statement as it announced a nearly 15 percent jump in fourth quarter earnings – to \$83.6 million or 71 cents a share, up from \$73 million or 57 cents a share a year ago. No buyer has surfaced, and the company is just beginning to put the 217 U.S. company-owned stores on the market, according to a source close to the company. With about 240 restaurants in the chain, including franchised and foreign outlets, Macaroni Grill ranks as Brinker's second-largest brand, behind Chili's. Many players in the casual dining segment have been hit with sluggish sales lately, as cash-strapped consumers cut back. But Brinker executives have faced especially tough questions from analysts about the lack of traction at Macaroni Grill. The brand's same-store sales were negative or flat every month in the 2007 fiscal year. The brand was created in 1988 by well-known restaurateur Phil Romano. It was purchased by Brinker in 1989.

Source: The Dallas Morning News

Darden to Buy Rare Hospitality

Darden Restaurants Inc., which operates the Olive Garden and Red Lobster restaurant chains, said Thursday it agreed to buy the owner of the LongHorn Steakhouse and Capital Grille chains for about \$1.19 billion. Orlando-based Darden said it would buy all Rare Hospitality Inc.'s outstanding shares in a tender offer with a price of \$38.15 per share. The price is a 39 percent premium to Rare's closing price Thursday of \$27.51. The deal value is based on 31.1 million shares outstanding. Darden valued the deal at \$1.4 billion, which includes outstanding debt and capital lease obligations. Atlanta-based Rare owns and operates 317 restaurants, including 287 LongHorn Steakhouse restaurants and 28 Capital Grille restaurants. "Rare Hospitality's two outstanding brands and the talented leadership and restaurant teams behind them enhance Darden's entire organization, but particularly our unit growth prospects," said Clarence Otis, Darden's chairman and chief executive. Darden said savings will be created by supply chain and purchasing integration, increased advertising effectiveness and consolidation of corporate and restaurant support infrastructure. "Darden has the right culture and the resources to help LongHorn and Capital Grille prosper in an intensely competitive industry," said Philip J. Hickey Jr., chairman and chief executive of Rare Hospitality. Hickey will stay on for a year as an adviser to Otis, who will retain his titles. Darden said it would finance the deal through cash, a new \$1.2 billion senior interim credit facility and a \$700 million senior revolving credit facility. The restaurant operator said the acquisition would be "neutral" to its earnings in 2008, excluding one-time transaction and integration costs. Darden and Rare's boards both have already approved the deal. The tender offer is expected to close in October.

Source: The Associated Press

Brinker Exec Quits Restaurant Chain

Brinker International Inc. announced this week that Jean Birch, president of restaurant chain Romano's Macaroni Grill, has stepped down, effective immediately. Brinker, that also operates the Chili's Grill and Bar restaurant chain, said John Reale, 53, will serve as interim president at the chain. He will also continue to work as chief operating officer for global business development. Brinker has said recently it is considering selling the Macaroni Grill chain, which includes 217 domestic restaurants.

Source: The Associated Press

After Years of Trying, Starbucks to Open First Shop in Russia

Starbucks, the world's largest coffee-shop chain, will open its first cafe in Russia next month after a decade of delays that included losing its trademark rights in the country. The first store will open in September in the Mega Mall north of Moscow, a Starbucks spokeswoman, Kate Bovey, said last week. Starbucks joins the retailers Wal-Mart Stores and Carrefour in seeking to enter Russia, where consumer spending rose 24 percent last year, the most in Europe. Russians are expected to spend \$12.5 billion eating out in 2009, after annual increases of more than 7 percent, according to Rosinter Restaurants Holding, which operates the T.G.I. Friday's and Benihana restaurants. "Russia is hugely important as a region, it's a primary market for us," Carol Pucik, a spokeswoman for Starbucks, said from Amsterdam last week. "It gives a lot of opportunities." Starbucks first registered its trademark in Russia in 1997. Five years later, Starbucks lost the right to the brand after a Moscow lawyer who specializes in claiming unused trademarks won the rights to it from the state patents chamber. That ruling was overturned last year, said Evgeny Arievidh, a lawyer at Baker & McKenzie in Moscow who represented Starbucks. The Mega Mall store will make Russia the 43rd country in which Starbucks operates, Bovey said. The company recently opened stores in Brazil and Egypt and plans to enter India. Starbucks's local partner in Russia is M.H. Alshaya, a Kuwaiti retailer that operates cafes in 10 countries outside its domestic market, according to Bovey.

Source: The International Herald Tribune/Bloomberg News

Ruth's Chris Opens Two New Restaurants

Ruth's Chris Steak House Inc. is opening two new franchised restaurants in Columbia, S.C., and Mishawaka, Ind., bringing the total number of restaurants to 109 worldwide. The Columbia Ruth's Chris restaurant is the first location in South Carolina and the sixth franchise for owners Jim and Phil Brooks and Nancy and Mark Oswald. The Mishawaka location is the third Ruth's Chris located in Indiana and the fourth restaurant for franchise partners Larry Griggers and Jere Shopf.

Source: The Orlando Business Journal

James Antunes named Vice-President of Business Development at Fusion Commercial®

David J. Alpert, Managing Member of Fusion Commerce, LLC announced the appointment of James Antunes as Vice-President of Business Development for its Fusion Commercial® brand food service equipment lines. Fusion manufactures a diverse product line consisting of food warming equipment, counter top ovens, popcorn poppers and dispensing equipment at its factory in Dongguan, China. Mr. Antunes brings over 30 years of foodservice equipment industry as a senior manager an industry leader serving on numerous industry boards. Alpert said, "Jim brings a wealth of industry experience and connectivity to an already very strong management team at Fusion. According to Antunes, "joining the Fusion team was an opportunity I just couldn't pass up. Fusion brings to this industry an ability to bring the food service equipment industry into the 21st Century with its low cost high quality China factory."

Antunes will focus his attention on expanding the product line, customer base and making Fusion a recognized entity in the industry.

Source: Fusion Commerce, LLC

Follett Corporation Names Robert Popowicz as Regional Sales Manager

Follett Corporation announced this week the appointment of Robert Popowicz to the position of regional sales manager. In this role Popowicz will be responsible for implementing foodservice sales programs and plans for Eastern Europe and the Middle East out of the office in Gdansk, Poland. Popowicz was previously employed by Johnson & Johnson in the medical equipment field and Biomet Poland where he sold medical and biotechnology products.

Source: Follett Corporation

Mimi's Cafe CEO to Resign; COO in Interim Role

The head of the Bob Evans Farms-owned Mimi's Cafe chain is stepping down. The Columbus-based restaurant company said Russell W. Bendel, who was president and CEO of the Mimi's chain since 2001, will leave the company Aug. 31 to pursue another opportunity. Company spokesman David Poplar said Bendel hasn't disclosed where he's headed. Mimi's Chief Operating Officer Daniel R. Dillon, in that position since 1996, will become interim CEO and retain his COO duties. The company hasn't projected when it will select a chief executive. Bob Evans Farms Inc. purchased 81 Mimi's cafes in 2004 for \$181 million. It now owns 116 Mimi's cafes in 20 states, including three in Ohio. Same-store sales at Mimi's increased 1.3 percent in the last three months of its fiscal year ended April 28, but fell 0.1 percent in June.

Source: Business First of Columbus

McCormick & Schmick's Plans '08 Expansion

The McCormick & Schmick's Seafood Restaurants chain plans to open 12 new restaurants in 2008, company officials said earlier this week while reporting financial results for the latest quarter. The execs discussed the company's expansion plans and its results for the second quarter ended June 30 in a conference call with financial analysts. The company, which operates 73 restaurants, has leases signed for 60% of the restaurants planned for 2008. Its plans for the remainder of 2007 include finishing the year with 11 new McCormick & Schmick's Seafood Restaurants and one Boathouse. It opened one new restaurant in Santa Ana, CA during the second quarter and plans to open five in the third quarter. The new locations in the third quarter will be in the Chicago suburbs of Schaumburg and Oak Brook, IL, as well as in Dayton, Cleveland and Austin. Doug Schmick, chairman and CEO, pointed out during the conference call that the second quarter results marked the 16th consecutive quarter of comparable restaurant sales growth. He credited "a more favorable mix of premium seafood offerings" and other factors, including daily printed menus that "enabled us to drive performance in a difficult cost environment." "Over the last six quarters, I think it's fair to characterize the commodities environment as tough," he said. Seafood prices, in particular, have gone up about 5% to 7%, Schmick said. "We were hoping for a little relief in the second quarter, but it did not materialize." Despite commodity price increases, the company was able to realize cost improvements on a year-over-year basis, according to Schmick. As the company continues to grow, it is benefiting from better purchasing leverage, which helps to mitigate the rising costs, he said.

Source: GlobeSt.RETAIL



Chicago Marriott Downtown Magnificent Mile Executive Chef Receives 2006 Marriott International Award of Culinary Excellence (ACE)

Myk Banas, Executive Chef at the 1,196-room Chicago Marriott Downtown Magnificent Mile, recently received the 2006 Marriott International Award of Culinary Excellence (ACE). Judges review and score nominations based on six criteria to include measurable improvement in overall dining; outstanding achievement in culinary excellence; creativity and innovation; training of others; leadership; and personal development. On September 17, 2007, Banas will join the other distinguished award recipients in Boston, MA, for a culinary excursion through New England. Banas began his Marriott culinary career in 1994 at the Hickory Ridge Conference Center following his training at Joliet Junior College. A native of Chicago, he joined the Chicago Marriott Downtown Magnificent Mile last April and since that time, he created a unique venue to display the diverse array of tantalizing culinary options available. His very own Chef Myk's Office Slideshow is an exclusive presentation designed for prospective clients while dining alongside the Chef. He brings to the screen and to life extraordinary examples of culinary creations that were customized to suit each client's respective needs. It is through his commitment, dedication and creativity that Chef Myk Banas received the highest degree of recognition by Marriott International.

Source: BusinessWire

Pizza Chain Plans 38 Oklahoma Eateries

Marco's Pizza, a national chain, is planning to open 38 stores in Oklahoma City and Tulsa beginning in October. The company, which began in Toledo, Ohio, in 1978, has 159 pizza restaurants in Ohio, Michigan, Indiana, Wisconsin, Florida, North Carolina, Nevada and Arizona. Jack Butorac, president of Marcos Franchising LLC, said a franchise agreement was signed locally with MG Pizza Ventures. Plans call for 21 of the stores to open in Oklahoma City and 17 in the Tulsa area. The Marco's Web site reports the initial franchise fee is \$17,500 for each franchised location. The ongoing royalty rate after the store opens is 5.5 percent of net sales. Between the franchise fee and equipping the actual store, Marco's estimates the costs to open one of the restaurants runs from about \$150,000 up to \$315,000 for each location. Ron Hingst, spokesman for Marco's, said in recent years the company hired another company that assesses retail markets around the country. He said the study looked at about 100 markets where a pizza store would have a good chance of success. When Oklahoma was identified as a potential market, the next step was to look for local investors. He said the company has opened successful operations in the last few years in Florida, North Carolina, Arizona and Nevada. The company hopes to have 500 stores established by 2010. Hingst said the decision to open so many locations in Oklahoma was based on the strength of the market and the company's hope that people are ready for a different pizza chain.

Source: The Journal Record

Ruby Tuesday Expands Agreements to Allow Franchisees to Develop More Restaurants

Ruby Tuesday, Inc. announced that it has signed development agreements with five of its existing domestic franchisees to allow them to develop a total of 25 additional Ruby Tuesday restaurants in the next several years. Franchisees included in the expansion include North Dakota Cuisine, RT St. Louis Franchise, RT Western Missouri Franchise, RT Omaha Franchise, and RT Iowa Franchise. "Our franchisees are great operators and developers," said Mark Ingram, President of Franchise Development. "Their ability to open additional Ruby Tuesday restaurants will continue the growth of our brand in new and existing markets," he added. John Bruton, partner for the Ruby Tuesday Western Missouri Franchise, said that he is excited about the growth in his area. "I believe in Ruby Tuesday's strategic direction and mission to consistently deliver a memorable, high-quality, casual dining experience to our Guests." States included in the development agreement include Iowa, Missouri, Nebraska, and Arkansas.

Source: Ruby Tuesday, Inc.

Philadelphia Firm Acquires Saxbys Coffee

Walnut Street Capital has bought Atlanta gourmet coffee shop chain Saxbys Coffee for an undisclosed amount, and plans to open 40 new stores within the next six months. Saxbys Coffee's headquarters will move to Philadelphia. The coffee chain already has 27 locations. One of the first in metro Philadelphia was developed by Joe Grasso, principal and founder of Walnut Street Capital. "We think Saxbys Coffee has the right business model to grow quickly in the gourmet coffee industry," Grasso said. "Coffee shops are one of the fastest growing segments of the food service industry, and there is a pent-up demand for a localized alternative to the industry's dominant player. Saxbys provides a national infrastructure to franchisees and through independent ownership, we increase our local reach." Saxbys Coffee President and CEO Nick Bayer will continue to lead the company for Walnut Street Capital.

Source: Atlanta Business Chronicle

Panera Signs Deal to Expand Presence in North Carolina

Panera Bread has signed an agreement with Breadwinners of the Triangle, L.L.C. to develop additional bakery-cafes in the North Carolina cities of Raleigh-Durham, Wilmington, Morehead City and Fayetteville. Breadwinners of the Triangle currently operates 13 Panera Bread locations in the region. Breadwinners of the Triangle opened its first Panera Bread location at Crabtree Valley Mall, in Raleigh, in 1999 and has since expanded its presence in The Triangle, Greenville and Pinehurst areas. Under the conditions of the new agreement, Breadwinners of the Triangle will open five additional bakery-cafes to be located in its current territory and the new markets of Wilmington, Morehead City and Fayetteville.

Source: Foodbusinessnews.net

Steak N Shake Names Chair As Interim CEO

Steak n Shake Co. announced that Chairman Alan Gilman will serve as interim chief executive of the struggling restaurant chain, replacing Peter Dunn who is resigning to pursue other interests, effective immediately. Gilman joined the company as its CEO in 1992 and has been chairman of the board since August 2003. Dunn served as president and CEO for five years, the company said. The company's shares plummeted \$1.96, or 12.7 percent, to close earlier at \$13.46 Monday. Steak n Shake has run into financial difficulties recently, which it has blamed on higher gas prices and housing costs as well as a weak response to new, healthier menu items. Last week the company reduced its guidance for the full fiscal year after posting a steep drop in third-quarter profit.

Source: The Associated press

If you would like to have news about your company, please send all editorial contributions to Mario Schacher: mschacher@arcimail.com

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