



American Recruiters Global Newsletter for the Foodservice Industry
May 17, 2007

Are You Coming to the NRA?

The National Restaurant Association announced that the 2007 edition of the Restaurant, Hotel-Motel Show has attracted nearly 2,200 exhibiting companies, a record high, and that exhibit space is officially sold out for the second year in a row. The Show will be place May 19-22 at McCormick Place in Chicago.

All of us at American Recruiters will be at the show. We certainly would enjoy the opportunity to meet with you. Please call or e-mail us to arrange a meeting during, before or after the show hours. Safe travels to Chicago and see you soon!

Royal Ahold Sells U.S. Foodservice to Private-Equity Firms Columbia Distributor Goes for \$7.1 Billion

Royal Ahold, a Dutch supermarket operator and owner of Giant Food, yesterday agreed to sell Columbia-base U.S. Foodservice to two private-equity firms for \$7.1 billion in a deal that would end a transatlantic partnership troubled by financial scandal. The deal comes six months after Ahold said it would sell U.S. Foodservice, which distributes food to hotels and restaurants, and focus on reviving its flagging supermarket operations. Under the transaction, U.S. Foodservice would be acquired by New York private-equity firms Clayton, Dubilier & Rice and Kohlberg Kravis Roberts. "We are pleased to be partnering with two outstanding firms -- two of the oldest private equity firms in the business -- which have a great understanding of our industry, from both a financial and operating standpoint," Robert Aiken, president of U.S. Foodservice, said yesterday in a statement. "We have great confidence the strategic and financial support of these two firms will enable us to grow and better serve our customers." Ahold has been under pressure from investors to sell off its U.S. operations, which are struggling with weak sales and intense competition. Following a six-month review of its assets and corporate strategy, the company said in November that it would divest U.S. Foodservice to focus on its core retail business. Ahold is also in the process of finding a buyer for Tops

supermarkets, but the company yesterday reiterated its plan to hold onto Giant. Selling U.S. Foodservice "returns Ahold to a purely retail-focused company, and Giant is certainly a part of our portfolio in the United States," said Kerry Underhill, an Ahold spokesman.

Source: Washington Post Staff Writers

Cold Stone Creamery, Kahala Join Forces

Ice cream maker Cold Stone Creamery and fast-food operator Kahala Corp. will combine to form a holding company they hope will be able to compete with private equity firms for a greater share of the fast-food sector. The 13 brands under the new Kahala Cold Stone umbrella will include submarine sandwich shop Blimpie, cheesesteak chain The Great Steak & Potato Co., chicken sandwich maker Ranch 1 and Mexican fast-food chain Taco Time, among others. The privately held companies didn't disclose terms. The new holding company, which will be headquartered their home base of Scottsdale, Ariz., is expected to generate more than \$1.1 billion in sales with more than 3,000 franchisees and about 4,600 retail locations in 15 countries. "If you look at the portfolio, you could basically build an entire food court with all the brands in Kahala Cold Stone," said Kevin Blackwell, the founder and chief executive of Kahala and the new Kahala Cold Stone chairman. But Blackwell isn't planning on stopping there. Blackwell and CEO Doug Ducey _ the former Cold Stone Creamery CEO and chairman _ are looking to turn the holding company into a brand-building franchise firm. "Once we get the two companies integrated ... we're clearly going to look at any other opportunities," he said.

Source: The Associated Press



NRA Announces Two Promotions: Kelly Benedetti to Vice President of State and Industry Relations and Tim Ehlert to Manager of State Relations and SAFE

The National Restaurant Association announced that Kelly Benedetti has been promoted to vice president of State and Industry Relations and Tim Ehlert has been promoted to manager of State Relations and Save American Free Enterprise (SAFE) Fund. "Kelly has played an instrumental role in the many successes the Association has achieved, and I am confident there will be many more to come in the future under her department's leadership," said Peter Kilgore, the Association's acting interim president and chief executive officer. "The Association is well-known for its powerful influence on the

national level, but many issues are now being driven on state and local levels. Kelly's experience will be vitally important as they working with our valuable state association partners and state legislators toward a common goal to benefit the restaurant industry's pro-employee/pro-employer public policy agenda." Ehlert joined the Association in 2006 as Coordinator for State Relations and Grassroots. Prior to that, Ehlert worked as a state research assistant for Tax Analysts in Falls Church, Virginia. "Tim has been a tremendous asset to our state relations team," said Peter Kilgore, the Association's acting interim president and chief executive officer. "As policymaking continues to shift from the federal level to state and local levels, Tim understands the legislative challenges restaurateurs are facing - issues such as health care, minimum wage, menu labeling, trans fat bans, and immigration. As manager of state relations and SAFE, Tim will work to continue strengthening the Association's outreach to state legislatures and regulatory officials through our state restaurant and hospitality association partners."

New Tony Roma's Restaurants Open in Four Different Countries -- First Unit Debuts in Saudi Arabia

Romacorp, Inc. announced the opening of four new Tony Roma's restaurants in four different countries including the first unit in Saudi Arabia. The new restaurants opened in Glasgow, Scotland; Kuala Lumpur, Malaysia; Maui, Hawaii; and Riyadh, Saudi Arabia. The restaurants all opened within last four weeks. "We are very excited to announce these new restaurant openings as we continue the brand revitalization of Tony Roma's," said Marc Buehler, President and CEO of Romacorp. "These restaurants all incorporate our new prototypical design. To be able to open these new units in four very different countries around the world at about the same time is outstanding. It is strong testimony to the strength of our franchise partners, our team and the demand from our new guests who have been anxiously waiting for Tony Roma's." "The opening of the first of Tony Roma's in Saudi Arabia is very notable," said Buehler. "This is a very unique market which offers great potential, but also presents many challenges if you make a poor location choice. The location of the first Tony Roma's is on Olaya Road in a very high profile spot. "We have great franchise partners who have launched Tony Roma's in these countries," said Ken Myres, Vice President of Franchise Development. "Even though demand for the brand exists, you have to have strong franchisee partners who can develop restaurants in high visibility areas and operate great." Additional new Tony Roma's are planned to open in the Saudi Arabia, Malaysia and UK.

Source: Romacorp, Inc.



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Macy's Sees Food as the Way to the Wallet

The owner of Macy's department stores plans to test bistros, gourmet restaurants, and Starbucks coffee shops at some stores in an effort to draw customers and keep them shopping longer. The new in-store restaurants and cafes, featuring such famed chefs as Wolfgang Puck and Todd English, come as Federated Department Stores Inc. focuses on building Macy's as a national brand. Federated will change its name to Macy's Inc. if shareholders approve the switch. Fancy tea rooms and restaurants were common years ago at large department stores and are making a comeback among many retailers. High-end stores like Nordstrom and Neiman Marcus have restaurants, and Federated already offers dining at some of its larger urban stores, including Macy's stores in New York City and Chicago. "It would be great to be able to shop and go out to lunch in one stop," said Kristi Burkett, 21, outside a Cincinnati Macy's store. Federated's strategy is to improve the shopping experience while differentiating Macy's from competitors, vice chairman Tom Cole recently told investors. The Cincinnati company operates more than 850 department stores under the Macy's and Bloomingdale's names. It converted regional department stores gained in its 2005 acquisition of the May Department Stores, Inc. to Macy's but continues to struggle to win over the May shoppers. The longer retailers can keep customers in stores, the more they will spend, said James Dion, president of the

consultancy Dionco Inc. "Combining services so shoppers can grab a bite to eat and shop in one place plays right into the lifestyle of a lot of consumers."

Source: The Associated Press

Krispy Kreme Looks to Sell Franchises

The doughnut chain says it has filed an offering document to sell franchisees in all 50 states. Krispy Kreme Doughnuts Inc. announced that it had filed a franchise offering document with state officials, the latest step in the turnaround of the doughnut chain. Once the document, a uniform franchise offering circular, is approved by the states that require review, Krispy Kreme said that it expected to be able to offer franchises for sale in all 50 states. Krispy Kreme has struggled in recent years with financial restatements, investigations into its past accounting practices and a decline in doughnut sales that sent some of its franchisees into bankruptcy. The company was able to file the franchise offering circular because it is now up-to-date with its audited financial statements, Daryl Brewster, president and chief executive, said in a news release. The circular is a disclosure document that contains detailed information about a franchise offering.

Source: cnn.com

Streets of New York and Coca-Cola Sign 5-Year Beverage Agreement

Streets of New York , an upscale casual pizza chain based in Arizona , recently announced a five-year beverage contract with The Coca-Cola Company. Under the terms of the agreement, Coca-Cola FoodService, the division of Coca-Cola North America that serves the restaurant and foodservice industry, will be the beverage provider for Streets of New York, supplying soft drinks including Coke®, Diet Coke®, and Sprite® and Minute Maid® juices to 27 Streets of New York locations in Arizona. "Coca-Cola's superior brands and localized account management convinced our company that Coke would make Streets of New York a bigger guest favorite," said Rick Peterson, COO, Streets of New York. "We are delighted to have new brands and programs to excite our guests and drive our beverage category sales over the next five years. We have already seen great passion and results from Coca-Cola throughout the conversion process and we are excited about what's to come. "We are so pleased to have gained the Streets of New York's business," said Coca-Cola's Senior Sales Executive, Jeremy Schlosser. "We see exciting days ahead, as we work together with them to enhance their customers' dining experience."

Source: Streets of New York, Inc.

\$ 400,000 Ice Restaurant to Be Built in Dubai

Those crazy, crazy Dubaiians are once again up to their silly little pet projects again. We have been informed that Iceculture Inc., which is known for manufacturing and selling ice blocks and sculptures, has carved out its biggest single contract ever: \$400,000 to

build an all-ice restaurant, which will be called Chillout. Dubai has begun a love affair with the ice, having recently brought snow to the municipality in the shape of SKI DUBAI. Now people of Dubai need no longer visit the Alps for their fix of skiing or snowboarding. And it's not easy to build. The ice for the Chillout restaurant will be shipped in freezer trucks from Canada to freezer containers aboard ships in Montreal that will embark on a 6,500-nautical-mile voyage to Dubai. In total, four containers, each holding about 23,000 kilograms of Ontario-made ice, will set sail to the Middle East. It will take nearly a month to get there, and the \$150,000 worth of ice will take eight Iceculture workers about seven days to assemble into a 1,800-square-foot eatery. But how will they stop it from melting in the searing heat of Dubai? Chillout will be constructed in a large freezer. Ice will cover the walls and floor of the restaurant, concealing the freezer's appearance. Customers will lounge on ice furniture, cozy up to an ice bar and drink from, you guessed it, glasses made of ice.

Source: TheDubaiLife.com

Gary Mick Named President of Blodgett

Gary Mick has been promoted to President of the Blodgett Oven Company, based in Burlington, Vermont. In his new position Mick will be responsible for all aspects of running Blodgett, including sales, marketing, engineering, and operations. He will be highly focused on sales, customer initiatives and new product development. Mick will continue to be based in Burlington. "During his twelve years with Blodgett, Gary has been instrumental in motivating our employees to grow sales and our customer base," said Selim Bassoul. "His exceptional customer orientation and product knowledge base are critical to the organization, as Blodgett continues to develop and bring to market new, innovative products." Most recently, Mick was Vice President/General Manager at Blodgett. Since joining the company in 1995, he has held positions in nearly all areas of the business, including operations, technical support, customer service, and finance. The Blodgett facility in Burlington employs 180 people in the manufacturing plant and office.



Arby's Signs On For 63 New Locations

Arby's Restaurant Group, Inc. announced that it continues to expand its brand reach and has signed development agreements to open 63 new Arby's restaurants throughout the U.S. The commitments include six new and 27 existing franchisees for the development

of Arby's restaurants in Alabama, Arizona, California, Florida, Georgia, Hawaii, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maryland, Michigan, New Mexico, New York, North Carolina, Oregon, South Carolina, South Dakota, Tennessee, Texas, Virginia and West Virginia. "We're pleased with these initial results of signing 63 new development commitments," said Tom Garrett, President and COO, Arby's Restaurant Group, Inc. "We are focused on our goal of 5,000 domestic Arby's restaurants."

Source: Arby's Restaurant Group, Inc.

Winston Industries Establishes Resource & Education Center

Winston Industries has established the Winston L. Shelton Resource & Education Center. Named for company founder Winston Shelton, the center is dedicated to educating foodservice professionals, educators, and consultants about the science of controlled vapor technology. The center is currently housed within the Winston Industries headquarters, but will eventually move to its own dedicated facility. Using a combination of classroom lecture and live kitchen practice, the center's instructors teach attendees about the unique qualities of Winston's patented CVap® (controlled vapor) technology, and its application to cooking, holding, and serving functions. The center is an outgrowth of a Winston's Continuing Education Seminar series. Initiated in 2005, the series has been nationally recognized by the Foodservice Consultants Society International (FCSI), who named Winston the 2006 Education Provider of the Year. Courses taught at the center qualify for eight CEU credits for FCSI members.

RCA Chefs Showcase Culinology® at the 2007 National Restaurant Association Restaurant, Hotel-Motel Show®

Members of the Research Chefs Association (RCA) will showcase Culinology in action at inspiring demonstrations at The Culinary Scene and in a panel discussion at the 2007 National Restaurant Association (NRA) Restaurant, Hotel-Motel Show, held May 19-22 at McCormick Place in Chicago. RCA presenters will create exciting menu items on stage as they demonstrate the discipline of Culinology – the blending of culinary arts and food science – and a panel of experts will discuss Culinology and innovation in their professional kitchens. The Culinology demonstrations will feature Sara Lee Food Service with Dunkin Brands on Sunday, May 20, and TurboChef Technologies with SK Consulting on Monday, May 21, each at 4:00 pm in The Culinary Scene area, located on Level 3 of the South Hall of McCormick Place in Chicago at the 2007 NRA Show.

Frontera Gets Third Taste of Honor

Twenty years after it first took Chicago by storm, Frontera Grill, 445 N. Clark St., officially belongs to the world. Rick and Deann Bayless' groundbreaking Mexican restaurant received the 2007 Outstanding Restaurant Award from the James Beard Foundation on Monday at ceremonies in New York. It's the third major Beard award for

Rick Bayless, who was named the foundation's outstanding chef in 1995 and received its Humanitarian Award in 1998. With Frontera Grill's entire management team on stage, the Baylesses accepted their honor. Said Rick: "These guys just live, sleep, eat and breathe our restaurant." Added Deann, "We just love making people happy with food and drink." The much-lauded Tru restaurant, featuring partners Rick Tramonto, Gale Gand and Rich Melman, also was a big winner capturing the Outstanding Service Award. On receiving the award, Gand explained the reason she and Tramonto began Tru. "We wanted to create fine dining with a sense of humor and where the staff could show that sense of humor -- and we want to thank you guys for letting us know that it's OK," she said. And in the Best Chef: Great Lakes category, a regional award, Grant Achatz of Alinea won out over four other nominees, including fellow Chicago chefs Carrie Nahabedian of Naha and Bruce Sherman of North Pond.

Source: The Chicago Tribune



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American Culinary Classic Winners to Be Announced May 22

Press conference and awards reception to announce the winners of the American Culinary Classic, the most prestigious international culinary competition in the United States, taking place May 19-22 during the 2007 National Restaurant Association Restaurant, Hotel-Motel Show®. Over the course of the show, 12 six-member teams representing their countries will compete for the American Culinary Classic championship title at the Culinary Scene display kitchens at McCormick Place. The competition encompasses hot-food and cold-food categories and is judged on creativity, flavor, presentation, timing and technique. Participating teams are; Bahamas, Canada, Czech Republic, Germany, Great Britain, Italy, New Zealand, Norway, Switzerland, Turkey, United States and Wales. The winners will be announced Tuesday, May 22 at 4:00 p.m., at McCormick Place, Vista Ballroom, South Hall, Level 400. The American Culinary Classic is owned and produced by the National Restaurant Association in cooperation with the American Culinary Federation, and is sanctioned by the World Association of Chefs Societies.

Damon's Grill Thanks Diners With Rewards Network Program

Damon's Grill owner Bennet Ackerman has joined Rewards Network to showcase the revamped, family-friendly environment and thank his Indianapolis customers. Rewards Network is a leading provider of marketing services and loyalty programs to the restaurant industry. "I used to dine at Damon's when I was a kid," said Ackerman. "Now that I have three Indianapolis locations, I've been working to restore that classic family grill culture and develop the chain to provide diners—particularly families—with the best experience possible. Beyond improving the menu and look of the restaurant, I wanted to offer my diners a 'thank you' for their business, so I joined Rewards Network. My diners can earn airline miles, cashback savings or other incentives, and we get the word out about this great chain and what we're doing in the area. To me, the Rewards Network program works for everybody," Ackerman said. As part of the program, Damon's Grill is marketed through Web pages on the Rewards Network site and inclusion in printed mailings and targeted emails to Rewards Network members. "Damon's is a great fit for Rewards Network and our Indianapolis members who are looking for a family-friendly sports-themed restaurant," said Ron Blake, president and CEO of Rewards Network. "On behalf of our members, we welcome Damon's to Rewards Network."

Source: Damon's Grill/BUSINESS WIRE

California Pizza Kitchen Emphasizes Expansion

The California Pizza Kitchen Inc. chain says new full-service restaurants will continue to be its focus for growth, although it expects to see its CPK-branded business through Kraft Pizza Co. grow to represent a larger share of its business. Kraft manufactures and distributes a line of California Pizza Kitchen premium frozen pizzas. CPK outlined its growth expectations as it reported strong comparable sales despite what company executives called difficult conditions during the first quarter ended April 1. The company's executives said that the chain achieved "one of the strongest comparable restaurant sales and traffic count increases in our sector despite a mixed economy and unfavorable weather patterns across many parts of the country." For example, the chain suffered 35 days of closings during the quarter, compared with zero closings during the same quarter the previous year, co-CEO Rick Rosenfield noted during the company's conference call with financial analysts. "We're comfortable with our development schedule of 16 to 18 new full-service restaurants" for fiscal 2007, Rosenfield said. He noted the company has already begun construction of nine of the remaining 13 to 15 stores on the schedule and has acquired 14 building permits out of the 16 to 18 stores that it will open this year. CPK executives reported that the company added two new full-service restaurants in Austin, TX and San Francisco during the quarter as well as two CPK/ASAP restaurants in Anaheim, CA and Kailua, HI. The company's franchise partner WDI Corp. also opened its second full-service restaurant in Japan. For the second quarter of 2007, the company has added one full-service restaurant and one domestic franchise and expects to add another full-service restaurant and one international franchise location.

Source: globeSt.retail/ California Pizza Kitchen Inc.

Panera Bread Eyes Canada for Expansion

Panera Bread Co., the popular U.S. bakery-cafe chain, will be expanding into Canada this year, the company has confirmed. More upscale than Tim Hortons but quicker and cheaper than family restaurants like Swiss Chalet, the chain offers treats, coffee and healthy fare such as soups, salads and sandwiches on freshly baked specialty breads. "We think that Canada is a great market and [Panera] has something special and unique to bring to it," said company spokeswoman Julie Somers. Panera, part of a burgeoning restaurant category known in the United States as "fast-casual," is looking to open its first Canadian location in Toronto by the end of the year and has been scouting several other Ontario locations. "You don't have to wait for a table, but there is exceptional quality," she added, detailing Panera's philosophy. "There is a jump between fast food and casual dining [in Canada]. As we look to expand, it is natural to look to our neighbors." The Canadian consumer is ahead of the U.S. consumer in concern about the food chain and organic origins of food, such as real cheese, as opposed to some processed product, and all-natural chicken," president Neil Yanofsky said last year. Jane Graham, general manager of foodservice at market researcher NPD Group Canada, said Panera Bread has shown rapid growth in the fast-casual sector in the United States. "We have never segmented the Canadian market in that way -- there are not enough players in that [fast-casual] space yet," she said, citing Williams Coffee pub, a small Ontario chain and British Columbia's Bread Garden restaurants as similar concepts. She believes there is room for the category in Canada. Dana McCauley, president of food-trend consultancy Dana McCauley & Associates Ltd., believes Canadians will embrace Panera Bread, adding the brand name resonates with those who have travelled in the United States. "Any neighbourhood that could support a Starbucks and a Lululemon could support a Panera Bread," she said. "I see them as catering to the same niche," a slightly upscale twist on the mainstream.

Source: hshaw@nationalpost.com/Canada.com

Thank you for reading our newsletter!

Craig Wilson
847-303-0560 Ext. 203
cwilson@arcimail.com

Michael Page
847-303-0560 Ext. 201
mpage@arcimail.com

Ted Agins
847-303-0560 Ext. 202

tagins@arcimail.com

Mario Schacher
847-303-0560 Ext. 208
mschacher@arcimail.com

John Daschler
847-303-0560 Ext. 207
jdaschler@arcimail.com

Please send all editorial contributions to Mario Schacher: mschacher@arcimail.com