



July 1, 2008

### Fertitta Plans to Buy Out Landry's Restaurants

Tilman Fertitta might have landed the big one. The chairman and chief executive of Landry's Restaurants Inc. has signed an agreement to acquire the struggling casual dining chain. Fertitta, who owns 39 percent of Landry's shares, will pay \$21 a share, which is lower than the \$23.50 he originally offered when he made his initial bid in January. The deal is valued at about \$1.3 billion including \$885 million in debt, the majority of which is connected to Fertitta's acquisition of two Golden Nugget properties in Nevada. The company's board of directors has approved the merger agreement, the company said in a statement last week. Fertitta's new holding company, Fertitta Holdings Inc., has received debt financing commitments from Jeffries Funding LLC, Jeffries & CO. Inc., Jeffries Finance LLC, and Wells Fargo Foothills LLC. Landry's special committee of directors that carried out the due diligence on the deal said it would also solicit other "superior" buyout proposals from third parties for a period of 45 days. If Fertitta emerges as the sole bidder, the deal to take Landry's private will be completed by October, subject to shareholder approval. The company will cease payment of its regular quarterly dividend of 5 cents a share pending the closure of the deal.

Source: New Mexico Business Weekly

### Starbucks Plans "Aggressive" Growth in Brazil

Starbucks is planning "aggressive" expansion in Brazil, the world's No. 2 coffee consumer, and is drawing customers in by also offering local snacks and stronger Brazilian coffee blends. "Last year we served more than 1 million customers ... In the first year and a half we now have the highest number of (sales) transactions in Latin America per store," the country operations director, Ricardo Carvalheira, said in an interview with Reuters at Sao Paulo's busiest store. The company has opened 10 stores in the commercial capital Sao Paulo since starting out in December 2006. Another five will follow by September and it is planning stores in tourist hub Rio de Janeiro. Carvalheira said the menu was key to Starbucks' success in Brazil, Latin America's largest economy. As well as offering the chain's regular fare, it sells the traditional Brazilian snack "pao de queijo" -- balls of bread with cheese in the dough -- a staple Brazilian food item. "Our concern was to bring products that customers would make an immediate connection with," he said. "Today on our food menu, pao queijo is our top seller so it was a sure decision," he said. In response to local preferences for more savory food, stores also offer muffins with Parmesan or mozzarella cheese and tomato in the baking mix. Carvalheira said Starbucks' model of providing premium drinks and snacks in comfortable surroundings was hard to find in local coffee shops and was proving to be popular, giving way for rapid expansion in the world's biggest coffee grower. "It's a pretty aggressive (business) plan in terms of expansion," he said, adding its details were confidential. In keeping with local tastes for dark, strong coffee, customers can also request a strong, extra-roasted "Brazilian blend" coffee made from locally sourced beans. Starbucks opened last month in Argentina and is present in Mexico, Peru, Chile, the Bahamas and Puerto Rico.

Source: Reuters

#### Hardee's Founder Wilbur Hardee Dies at 89

Hardee's Food Systems Inc., a unit of CKE Restaurants Inc., announced that Wilbur Hardee, founder of restaurant chain Hardee's, died at age 89. He opened the first Hardee's in 1960 in Greenville, N.C. He has not been affiliated with the company for many years, Hardee's said, but he took part in a 40th anniversary celebration in 2000. Arrangements are made by Wilkerson Funeral Home & Crematory. A private memorial service will be held at a later date.

Source: The Associated Press

#### Doobie Brothers Set to Headline The NAFEM Show All-Industry Celebration All-Industry Celebration Friday, February 6, 2009

The NAFEM Show is proud to present the GRAMMY® award-winning Doobie Brothers to perform at the All-Industry Celebration. The Doobie Brothers are one of the few American groups to have established a high-level of success and maintain it for more than three decades. The group has sold more than 50 million records, have received multiple GRAMMY® awards, 16 top 40 hits, 11 multi-platinum albums among many other accolades. The Doobie Brothers was established in 1970 by Tom Johnston and have maintained four core members throughout the years, Johnston, Patrick Simmons, Michael Hossack and John McFee. In 1972, the Doobie Brothers released their breakthrough album, *Toulouse Street*, featuring hit singles, "Listen to the Music" and "Rockin' Down the Highway." In the following years, the Doobie Brothers released hit singles, now classics, "Black Water," "Long Train Running," "Takin' it to the Streets" and "It Keeps You Running." The All-Industry Celebration is the perfect opportunity to unwind with your colleagues and peers while enjoying great food, entertainment and a celebration of the foodservice industry's accomplishments. The premier social networking event of the industry features a first-class reception, dinner and face-to-face interaction with professionals from all areas of the foodservice industry.

Source: NAFEM

#### Mark Curran New President of Victory Refrigeration

Last week it was announced the appointment of Mark Curran to the position of President, Victory Refrigeration. Mark brings to Victory and the Ali Group more than 16 years of foodservice industry experience and a strong background in several phases of the commercial foodservice industry, most recently in the specific area of refrigeration as General Manager of Kairak. Throughout his career, Mark has demonstrated the ability to improve and grow company operations through focused leadership and developing effective teams to tackle issues. Under his leadership, Kairak introduced state of the art and very advanced patented refrigeration units. Starting his career as a Sr. buyer with what is now known as YUM Brands and moving through positions at Trimark Raygal, Maytag Foodservice, and most recently with ITW as GM of Kairak, he has both a strong sales and operations background.

Source: Victory Refrigeration

#### QualServ Consolidates Operations

In an attempt to streamline its operations and improve financial performance, QualServ Corp. announced plans to consolidate its Columbia, S.C., and Kansas City, Mo., locations into its Ft. Smith, Ark., headquarters. The announcement came in the form of a letter from QualServ CEO Rick Heller to the manufacturing community. "We are confident that the consolidation of operations will allow us to continue to provide exceptional quality and service – while significantly improving our overall operating efficiency," Heller said in the letter, a copy of which was obtained by FE&S.

Source: FE&S



#### FWE Appoints New Marketing Director

Crystal Lake, Ill.-based FEW appointed Melissa Heisler as director of marketing, effective immediately. She will be responsible for developing and driving the company's marketing strategies. Heisler has more than 15 years of experience and marketing and communications management across different industries. Prior to FWE, she was merchandising and communications manager at ITW Brands, a business unit of Illinois Tool Works, which also owns Hobart and Traulsen.

Source: FE&S

#### Brewing Success: Café Coffee Day Is on a Roll

V.G. Siddhartha, chairman of the Bangalore-based Amalgamated Bean Coffee Trading Co. (ABC) and the man behind India's largest café chain, Café Coffee Day (CCD), has set his team a stiff target: By March he wants to expand the chain to 950 cafés. From where it stands today, with 595 cafés across 100 cities in India, three in Vienna, and two in Karachi, this means opening more than one café a day -- and not just in India. Siddhartha has strong global ambitions: He wants 50 of these cafés to be located outside India. While this might appear to be a tall order, CCD's investors feel otherwise. They see enough potential in the coffee retail market for CCD to ramp up even faster. According to Naresh Malhotra, formerly CCD's chief executive officer and now a director at the venture capital firm Sequoia Capital: "This space has enough potential for Coffee Day to open a café every 200 yards in the country, within five minutes' walking distance of one another." Sequoia invested \$20 million in ABC, one of India's largest integrated coffee conglomerates, two years ago. Industry analysts estimate that fewer than 1,000 cafés make up India's organized space, but they put the potential at around 5,000. The largest player after Coffee Day, Barista, has about 200 cafés. Java Green (around 75 cafés) and Mocha (around 25 cafés) are further behind. Venu Madhav, head of operations at Café Coffee Day, has started quietly thinking about a farther-out café target number for his team: 2,000. The Coffee Day story is not just in its numbers, though. Coffee Day has been a pioneer. According to Harish Bijoor, a visiting professor at the Indian School of Business (ISB) at Hyderabad and CEO of Harish Bijoor Consults, "Coffee Day has brought about a paradigm shift in the café space in India." Subroto Bagchi, co-founder of the IT and R&D services company MindTree Consulting, and author of the book, *The High Performance Entrepreneur*, adds: "Café Coffee Day has redefined the coffee experience; it has been a trendsetter in the café space. Siddhartha has raised the coffee from a brew to an experience." Bagchi's association with Siddhartha dates to MindTree's first days, in 1999, when Siddhartha's technology holding company, Global Technology Ventures, invested in MindTree. When Siddhartha opened the first Café Coffee Day outlet in Bangalore, India's silicon capital, in 1996, it was positioned more as an Internet café. Siddhartha is believed to have raised some \$100 million for his expansion plans during the past few months. While much of this apparently is through debt, around \$25 million has come from the Darby Asia Mezzanine Fund, a unit of Franklin Templeton Investments. According to Richard H. Frank, CEO of Darby Overseas Investments, "Coffee Day has successfully consolidated its market leader status and is positioned to take further advantage of the ongoing macroeconomic, demographic and lifestyle changes. We are attracted to ABC because of its leadership position within India's rapidly expanding consumer lifestyle segment and its strong execution capabilities."

In its early years, however, Coffee Day had neither clear positioning nor significant presence. In fact, it lost ground to Barista Coffee, which was founded in 2000 by Amit Judge of the investment company Turner Morrison. Barista positioned itself as an up-market, premium coffee café and targeted executives who saw it as a less expensive alternative to coffee shops in five-star hotels. In 2002, Barista had some 85 cafés around the country, while Coffee Day had just 35.

Source: India Knowledge@Wharton

#### McDonald's Raises China Prices on Labor, Food, Power

McDonald's Corporation, the world's largest restaurant company, said it increased prices in China for the second time this year on labor, food and electricity costs in the world's fastest-growing major economy. "Not only in China but worldwide there is a great deal of concern about rising food costs and higher utility costs, such as oil," Jeff Schwartz, chief executive officer of McDonald's China, said in an interview in Beijing. The 2.7 percent increase today doesn't fully cover higher costs and McDonald's may raise prices again this year, Schwartz said. China increased fuel prices last week, signaling that the government is confident that inflation pressures are easing, even as oil and commodity costs surge. "Energy prices will continue to rise as the government gradually relaxes price controls," said Wang Qian, an economist at JPMorgan Chase & Co. in Hong Kong. "Inflation" is going to remain a problem for the next two or three years. "We are going to continue to monitor from month to month, because what is unknown is whether prices of utilities and labor will continue to rise," Schwartz said. The average urban wage rose 18 percent in the first quarter from a year earlier. "The bigger picture is that, on many measures, inflation seems to have peaked," Williams said. "Even allowing for the recent rise in fuel prices, headline consumer-price inflation will be down at around 5.5 percent by the end of the year." Households' expectations for inflation are "stabilizing," the central bank said in a report released on its Web site today. Fewer regarded prices as "too high to bear" than in the previous quarterly survey, the People's Bank of China said. McDonald's plans to add at least 125 restaurants in China this year for a total of more than 1,000, Schwartz said today. It aims to add at least 150 in 2009 and 175 in 2010. The company now has 937, including 70 drive-through outlets, he said.

Source: Bloomberg.net

#### Your Gateway to the Indian Hospitality Industry

November 2008 may be far-off, but the second edition of Hotelex India has already created tremendous excitement amongst the Indian and International Hospitality Industry. Hotelex India 2008 opens at Bombay Exhibition Center, Mumbai, from November 21st to 23rd 2008. HOTELEX has been staged successfully for last 17 years in Shanghai and 7 years in Beijing. And NOW India. Hotelex India 2008 promises to replicate the international model, by establishing a perfect meeting ground for all Hospitality professionals and buyers. The 3 day event, an essential showcase for hospitality products, services and technologies will bring together new markets information, customers and revenue opportunities for your business. Leading hospitality suppliers from India and the international markets have confirmed participation in Hotelex India 2008. Unlike any existing show, direct participation by leading hospitality brands from China, Hong Kong, Italy, Germany and Dubai makes it a truly international show, much needed for a booming and globalised hospitality economy. This year the event will encompass international concepts stylized alongside the theme pavilions.

Source: Hotelex India 2008

#### UDS Group and Subway Restaurants to Introduce Delivery Services in Boston

UDS Group, a provider of delivery management solutions, has announced that UDS Group and Subway Restaurants will introduce delivery services in the Boston market. Under the agreement, UDS will manage

Subway Restaurant's delivery launch utilizing its single nationwide toll free number 888-Sub-To-Go for participating restaurants throughout the US. Adam Coblin, CEO of UDS Group, said: "We are pleased to announce that Subway Restaurants and UDS Group have agreed to open the Greater Boston, Massachusetts market area for delivery services through 888-Sub-To-Go. This will give UDS Group another major east coast market for Subway Restaurants. It is the goal of Subway Restaurants to bring delivery to all of their customers throughout North America."

Source: Food Business Review On-Line

#### MASTER-BILT Celebrates 70 Years in Business

Master-Bilt, manufacturer of a full line of premier commercial refrigeration systems, proudly celebrates their 70th business anniversary. "Over the past 70 years, Master-Bilt has grown to adapt to the ever-changing needs of our customers," says Bill Huffman, vice president of sales and marketing for Master-Bilt. "We have evolved to be a true one-stop-shop for all refrigeration needs, while maintaining our reputation as a provider of quality products and excellent customer service." The company was founded in a three-car garage in St. Louis in 1938 with two friends producing refrigerated coolers for the 10-gallon milk cans used on dairy farms. From these humble beginnings, Master-Bilt has grown to become a manufacturer of one of the most diverse ranges of refrigeration equipment available. Master-Bilt, a member of the Standex Food Service Equipment Group and celebrating their 70th year of business, has set the benchmark in the industry for refrigeration and freezing solutions for commercial foodservice applications.

Source: Master-Bilt



#### Potbelly Names Lewis CEO

Potbelly Sandwich Works named foodservice industry veteran Aylwin Lewis its new president and chief executive officer. The chain's founder and former CEO, Bryant Keil, will continue in his role as chairman of Potbelly's board of directors. "As chairman and a large shareholder in the company, I plan to remain very involved in the leadership and direction of the company," Keil said in a company release. Lewis' more than 26 years of foodservice experience includes a stint as president, chief multi-branding and operating officer of YUM! Brands Inc. from 2000 until October 2004. He also served as the chief operating officer of Pizza Hut from 1996 to 2000. Lewis comes to Potbelly after having served as CEO and president of Sears Holdings. Prior to that, he served in a similar capacity for both Kmart and Sears Retail.

Source: Potbelly Sandwich Works

## New Marketing VP for Pitco

Pitco has named Debbie Hanson as vice president, sales and marketing. Hanson most recently served as vice president of sales for Piper Products/ServoLift. Hanson will officially join Pitco on June 30. Prior to Piper, she worked in sales management for InterMetro Industries and was president of Elite Marketing.

Source: FE&S

## Technomic Says Restaurants Vulnerable to Long-Term Shift in Consumer Food-Spending Habits

Acknowledging the challenges currently facing many restaurant operators, speakers at a major industry conference hosted today by foodservice consultants Technomic also discussed the larger threat that consumers will develop new food-spending habits that may endure after the economy improves. Paul Kasriel, Director of Economic Research at Northern Trust, discussed the role of unfavorable economic elements, including rising gasoline prices, unemployment, and cost of living, as well as the current housing situation and waning consumer confidence—all factors that have played a role in creating a consumer who is willing to move away from restaurants and find other meal solutions that meet the needs of their busy lives. Commodity expert Bill Lapp, who also spoke at the conference, indicated that operators will most likely be squeezed by higher food input costs across many product categories for some time to come. Restaurants will find it increasingly difficult to avoid raising menu prices. “Higher menu prices have definitely had an impact,” says Darren Tristano, Technomic Executive Vice President, “although consumers don’t appear to blame restaurants for raising prices. Our research indicates that consumers understand that restaurants’ food costs have gone up. Nevertheless, the vast majority of consumers say they will eat out less often at full-service restaurants and replace these occasions with meals prepared and eaten at home.” Tristano explained that these at-home meals increasingly include meal solutions sourced from supermarkets and other food retailers, a growing competitive threat to chain restaurants. Retail grocery operators have continued to improve their effectiveness in preparing Retail Meal Solutions that resonate with consumers’ hot buttons, including quality, convenience, nutrition and freshness, the perception of premium/artisan elements, and perhaps most importantly, an attractive price point. Several conference sessions addressed numerous strategies that operators can employ to reduce their long-term vulnerability to Retail Meal Solutions and other competitive threats, and position themselves to emerge stronger from the challenges currently facing restaurants.

Source: Technomic/BusinessWire

## Chevys Fresh Mex® Continues National Expansion, Opens 4th San Jose Regional Location

Chevys Fresh Mex® has opened its newest location in San Jose, California on Monday, June 23rd. The opening represents the 96th restaurant nationwide. The originator of Fresh Mex®, Chevys has assured that the atmosphere in the San Jose restaurant will be fun and festive with a border cantina décor that includes brightly colored walls; playful antique, Mexican vintage produce labels; starlight fixtures; and slogans interspersed on walls throughout the restaurant that showcase the personality of the restaurant. “Chevys will be a welcome addition for local dining choices. This is a great opportunity to introduce the booming Market Center community to Chevys Fresh Mex® cuisine and friendly, festive hospitality that are hallmarks of our national reputation,” says Fred Wolfe, CEO of Chevys. “The Market Center restaurant will offer appetizers, entrees, and drinks that are unique to Chevys and which are not available at any other Mexican-style restaurants. We think Chevys will be a welcome change-of-pace from the current casual dining options available at Market Center.”

Source: Chevys Fresh Mex®

## Restaurant Acquisition Partners, Inc. to Merge with Oregon’s Pizza Bistro, Inc.™

Restaurant Acquisition Partners, Inc. announced that it has entered into definitive agreements to merge with privately held Oregano's Pizza Bistro, Inc.<sup>TM</sup> Oregano's currently owns and operates eight Arizona locations and three additional Arizona units currently in development. The combination includes the real property associated with five operating restaurants and one in development. Upon consummation of the merger, Restaurant Acquisition will change its name to "Oregano's Pizza Bistro, Inc." Under the terms of the definitive agreements, Oregano's sole shareholder will receive estimated consideration of approximately \$25.5 million, of which approximately \$9.2 million relates to the acquired real estate. The consideration will consist of Restaurant Acquisition common stock of approximately \$7.75 million and approximately \$17.75 million cash. The transaction consideration will be reduced for certain transaction expenses and will be subject to working capital and other adjustments (including for actual adjusted EBITDA for the twelve months ending August 31, 2008, capital expenditures incurred to date for the restaurants in development and certain indebtedness). As part of the transaction consideration, Restaurant Acquisition may also be required to pay certain contingent consideration on the terms specified in the definitive agreements. To fund the transaction and provide capital for future growth, Restaurant Acquisition plans to use approximately \$18.45 million of cash currently held in trust (after payment of deferred underwriting fees) and to raise about \$5 million in debt. "In our 15 year history, Oregano's has had remarkable success due to our great tasting food based on my family recipes, our great value, our loyal customer base, a dining atmosphere perceived by our customers as 'hip' and 'fun' and our deserved reputation for exceptional hospitality and guest service. Now, with the addition of the Restaurant Acquisition Partners' expertise in growing and franchising restaurants and the infusion of capital for development, we have the opportunity to take full advantage of our expansion potential including penetration of new markets," said Mark S. Russell, creator and founder of Oregano's. Christopher Thomas, President and CEO of Restaurant Acquisition said, "Oregano's clearly meets the acquisition criteria established when we founded Restaurant Acquisition Partners, Inc. It is an emerging restaurant brand with a strong market positioning, customer appeal and marketability, a proven success with escalating year over same store sales, strong restaurant level economics and a clear ability to grow in both company and franchise restaurants." Thomas added, "Our merger with Oregano's will produce a powerful partnership and will offer shareholders an outstanding growth opportunity based on the proven success of the Oregano's concept even in recent economic times. Same store sales have been up every year for the last five years, including 2007 and the first quarter of 2008, illustrating the strength of the concept created and executed by Mark S. Russell and his management team. For the fiscal year ended 2007, Oregano's generated revenues of approximately \$23 million and same store sales growth of 4.6%. For year-to-date through May, same store sales are continuing up at more than 4% year over year, continuing the trend of same store sales growth of 4% or more over the last five years."

Source: Restaurant Acquisition Partners, Inc.

#### The Cheesecake Factory Further Strengthens Its Restaurant Operations

The Cheesecake Factory Incorporated is pleased to announce a number of organizational changes within its Restaurant Operations team that are designed to leverage its deep pool of leadership talent and further strengthen the overall organization. Effective immediately, David Gordon, a 15-year veteran of The Cheesecake Factory, has been named to the role of Senior Vice President, Operations, and will lead the day-to-day operations for The Cheesecake Factory restaurants. Gordon was most recently Regional Vice President, West Coast Operations, having previously served as an Area Director of Operations, as well as General Manager in two of The Cheesecake Factory's restaurants. He will report directly to David Overton, Chairman and CEO. In addition, the Company announced that Russell Greene has been named to the role of Senior Vice President, Operations Services, from his current role of Senior Vice President, Beverage and Bakery; Jack Belk has been named to the role of Senior Regional Vice President from his current role of Regional Vice President; and Donald Moore has been named to the role of Senior Vice President, Kitchen Operations from his current role of Vice President, Kitchen Operations. "The Cheesecake Factory has a long-standing track record of exceptional restaurant operations and execution, which is due to the strength and tenure of leaders such as David, Russell, Jack and Donald. These individuals are focused on quality

and results, and drive our standards of operational excellence,” commented David Overton, Chairman and CEO. “We are proud to recognize their achievements.”

Source: The Cheesecake Factory Incorporated

#### New Ownership Group to Expand Five Guys in Tampa, Houston and Columbus Plans Call for 86 Stores within Four to Five Years

TCH Restaurant Group, Inc. will take its Five Guys Burgers and Fries from its current count of five stores in Tampa to a total of 86 stores in Tampa, Houston and Columbus, Ohio over the next several years. The new franchisee parent company was formed when Bob Gries, through Gries Investment Fund, purchased a 40 percent ownership stake from Tampa franchisee Bob Dorfman, who is now chairman, president and CEO of TCH Restaurant Group. “Five Guys has been recognized as one of the fastest growing food franchises in the country,” says Dorfman. “It’s extremely difficult to get franchises, much less the rights to 86 stores in three major markets, so we’re pleased to be taking the lead in these markets.” Dorfman, a former Marriott executive who has invested in and consulted with a number of restaurant chains, opened his first Tampa Five Guys in 2006 and will be opening the sixth on June 21, 2008. “Five Guys is one of the truly great emerging restaurant franchises in the United States,” says Gries. “We saw this as a unique opportunity to invest in something that fits our criteria and offers great growth potential.” TCH will open an additional 10 Five Guys in Hillsborough County, as well as 50 in Houston and 20 in Columbus. Several stores are planned for opening in both Houston and Columbus by yearend 2008. Dorfman also announced the first of the TCH board members, who will include former Tampa Mayor Dick Greco and Chris Lewis, former CFO and VP, Global Business Units, Jabil Circuit; as well as Gries and Dorfman. “Five Guys is a great concept with even greater execution,” says Dorfman. “Their combination of quality and service has gained them an extraordinarily loyal client base, not to mention inclusion in the Zagat Guides.”

Source: Five Guys Burgers and Fries

#### Einstein Noah Inks Franchise Deal in Texas

Einstein Noah Restaurant Group, Inc. announced it has signed a multi-unit development agreement with Wilbur and Matt McKinney to franchise three Einstein Bros. Bagels restaurants in the Tyler, Texas, markets within the next three years. "As experienced franchise investors, we are excited to be adding a brand such as Einstein Bros. to our investment portfolio," said Wilbur McKinney. McKinney's franchise portfolio also includes the Smoothie King brand. "With a distinctive flare to its look and a variety of appetizing menu items that are made from high quality ingredients, we couldn't be more pleased about becoming multi-unit, multi-brand franchise owners with this concept."

Source: Foodbusinessnews.net

#### Malaysia to Get 100 Papa John's Restaurants

Papa John's International, Inc. has signed a development agreement with Berjaya Pizza Company Sdn Bhd to open 100 Papa John's restaurants in Malaysia over the next 10 years, with the first slated to open later this year. According to Dato' Francis Lee, executive director of Berjaya, the company plans to focus its development initially in Kuala Lumpur before developing further within the Klang Valley region and other cities over the next decade. There currently are 171 Papa John's restaurants in Asia, including China and South Korea.

Source: MediaPost Communications/Marketing Daily



#### Triarc Signs Franchise Deals for 35 New Arby's

Triarc Companies Inc., the parent of Arby's Restaurant Group, said it has signed deals for franchisees to open 35 Arby's throughout the United States. The company has commitments with five new and eight existing franchisees to develop new restaurants in California, Kansas, Kentucky, Louisiana, Maryland, Michigan, Missouri, Oklahoma, Pennsylvania, Tennessee, Texas, Virginia, and West Virginia. The agreements include Jeff Davis, chief executive of United States Beef Corp., Arby's largest franchisee with 252 restaurants. He agreed to open 11 more Arby's in Kansas, Missouri and Oklahoma. Dennis Wells, operator of 24 Arby's, has agreed to open four more in Texas, while Joe Don Pulliam, who operates 15 restaurants, agreed to open three more in Louisiana. The company operates 3,700 restaurants worldwide, and is owner and operator of more than 1,100 of those restaurants in the U.S.

Source: Triarc Companies Inc.

#### PJ's Coffee Sold to Franchisees

Ownership of PJ's Coffee of New Orleans has returned to the city where it all began with the sale of the company to New Orleans Roast and New Orleans Brew – the largest existing franchisees of PJ's who plan to expand the roasting and franchise operations of the company. The Ballard Family – Paul, Steven and Scotty, along with a group of New Orleans business leaders – purchased PJ's Coffee from Raving Brands of Atlanta, Georgia. The Ballards are not new to franchising. In addition to owning multiple PJ's locations, they are also the creators of the hugely successful WOW Café and Wingery, now with 53 stores and still growing. For Raving Brands, it appears to have successfully orchestrated the sale of its third concept to highly capable franchisors – Moe's Southwest Grill to Focus Brands, Mama Fu's Asian House to Murphy Adams Restaurant Group and now PJ's Coffee of New Orleans to New Orleans Roast and New Orleans Brew, affiliates of the New Orleans-based Ballard family, who, in partnership with lifelong friends and local business owners born and raised in south Louisiana, intend to bring PJ's back to its place of origin. The largest existing franchisee of PJ's Coffee, New Orleans Roast and New Orleans Brew currently own and operate five PJ's Coffee of New Orleans locations and intend to develop and manage additional stores in the future. "We are excited about the next chapter in the PJ's Coffee story, a New Orleans brand that has a distinct history thanks to the pioneering nature of its founder, Phyllis Jordan, and a loyal base of franchisees," explains Paul Ballard, partner in WOW Café which owns the WOW Café and Wingery franchise and now PJ's Coffee of New Orleans. "We have a great story to tell that is rich in New Orleans history. We look forward to creating the next great chapter of this company. "The Ballard Family and their partners represent all that Raving Brands has been attempting to feature in recent years – New Orleans, Southern heritage and tradition," explains Chris Morocco, partner, Raving Brands. "They have been around the franchise business a long time and have a tremendous network of influential partners, friends, consultants and the like that I know they will leverage to take both of their concepts to the next level." New Orleans Roast and New Orleans Brew have plans to expand franchise operations regionally while also growing its corporate relationships. Its business model will focus on Louisiana and the greater Gulf Region and increased wholesale distribution from PJ's Coffee's own roasting facility.

Source: BusinessWire

### CKE in Deal to Open Carl's Jr. Locations in China

CKE Restaurants Inc., which runs the Hardee's and Carl's Jr. fast food chains, announced that its subsidiary Carl Karcher Enterprises Inc., has signed a deal to open at least 100 Carl's Jr. restaurants in China in the next eight years. CKE said BreadTalk Group LTD and Aspac F&B International Pte. Ltd. will work with CKE, granting franchise rights for Carl's Jr. in the cities of Beijing, Shanghai and Tianjin and in the Zhejiang and Jiangsu provinces. BreadTalk Group runs a variety of food venues, mostly consisting of 199 bakery stores across Asia and the Middle East, while Aspac F&B International is a Carl's Jr. licensee in Singapore and Malaysia. CKE said the deal - which represents its first move into the Chinese market with the Carl's Jr. brand - is part of its strategic plan to speed up franchise development in international markets. The company currently franchises 294 international restaurants between its Carl's Jr. and Hardee's brands. CKE expects the first Carl's Jr. restaurants to open in Beijing and Shanghai before March 2009.

Source: CKE Restaurants Inc.

### Starbucks Food Executive Resigns

Starbucks' senior vice president of global food and beverage resigned several weeks ago, according to a company spokeswoman. Denny Marie Post's main focus was on the food side of the business. Starbucks has not yet filled her position, but several executives continue to work on transforming Starbucks' food offerings as it phases out warmed breakfast sandwiches and turns to healthier fare. Spokeswoman Bridget Baker declined to say who Post reported to, but said "it was through the marketing and product organization." Post is now senior vice president and chief marketing officer at T-Mobile USA, which sued Starbucks this month over its Wi-Fi relationship with AT&T. The companies quickly agreed to resolve the dispute.

Source: The Seattle Times Company

### Sweet Peppers Deli Adds Newest Location in Laurel, MS

The newest franchise for Sweet Peppers Deli opened its doors in Laurel, MS with an invitation-only opening party was held at Sweet Peppers Deli to benefit the Hamasa Shriner's Transportation Fund. All proceeds from this event were donated to the Shriner's helping them transport local children and families to the Shriner's Hospital for care. "The response we have received from the community during our construction process has been incredible! We are thrilled to give back to this local charity and help them as they continue to battle the cost of rising fuel while trying to transport these children for the help they so desperately need," stated Brittany West, one of the franchise owners of Sweet Peppers Deli. The staff and management of the Laurel Peppers have received extensive training at two Sweet Peppers Delis in Hattiesburg, MS and at the busy location in Starkville, MS. "This training will help prepare these new staff members and managers effectiveness from day one," stated Cory Fremont, Corporate Trainer, Sweet Peppers Deli Franchise Systems, Inc. Clark and Beth Callahan, franchise owners of the two locations in Hattiesburg and also recent recipients of Franchisee of the Year Award assisted in this training process. "We enjoyed having Brittany and Ken West as well as their team train in our restaurants. We know the time they have spent in our restaurants can only help ready them for the busy opening they are sure to have in Laurel!" stated Beth Callahan.

Source: Sweet Peppers Deli



If you would like to have news about your company, please send all editorial contributions to Mario Schacher: [marioschacher@yahoo.com](mailto:marioschacher@yahoo.com)

Thank you for reading The Global Foodservice E-newsletter from American Recruiters!

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