



September 16, 2008

### **MacFarland Named President of Garland USA**

As part of the evolution of its organization and its focus on driving innovation, Garland has appointed Peter MacFarland as President - Garland U.S.A.. Peter has extensive experience with over 20 years in the foodservice industry, including executive positions as President–MagiKitch'n, Group V.P. of Sales and Marketing at Garland and, most recently, President of Merco where he led a successful repositioning of that business. Effective September 29th, 2008, The Garland Group will evolve from a functional organization structure to operate as two distinct units, Garland U.S.A. and Garland Canada. Garland U.S.A., based in Freeland , Pennsylvania, will seek to strengthen relationships with U.S. customers with specific emphasis on enhanced customer support. The manufacturing product focus will mainly be on clamshell grill and oven product innovations. Garland Canada, based in Mississauga, Ontario, will continue to be the Canadian distributor for most Enodis products and, in addition, will focus on the development of Garland brands in International markets. The manufacturing focus will be on range and specialty product innovations. Garland Group President, Jacques Seguin commented “We are pleased to welcome Peter back to Garland. His extensive experience both in the industry and at Garland , further strengthens our team and brings more focus to the U.S. market. We have made significant progress on our innovation strategy this year with our restaurant range and high efficiency broiler winning Kitchen Innovation Awards from the National Restaurant Association. We are implementing this new structure to further speed innovation by improving our specific market, customer and product focus while optimizing teamwork within each of our two facilities”.

Source: ENODIS

### **Wendy's, Arby's Deal Would Make Chain No. 3**

The proposed merger of Arby's and Wendy's could create significant behind-the-scenes changes for the companies, but the two restaurant chains are likely to maintain distinct brands in the eyes of consumers, industry experts say. Triarc Cos., the parent company of Atlanta-based Arby's, and Wendy's International, based in Dublin, Ohio, are scheduled Monday to tally votes on the proposed merger at their shareholder meetings. Both company boards are backing the deal. If approved, Wendy's shareholders will receive 4.25 shares of Triarc stock for each share of Wendy's stock, making the deal worth about \$2.3 billion. The merger would create the third-largest U.S. fast-food chain in terms of systemwide sales, behind McDonald's Corp. and Yum Brands, which owns Taco Bell, KFC and Pizza Hut. Arby's and Wendy's should benefit from combining operational functions, said Darren Tristano, executive vice president for Technomic, a Chicago-based food industry research firm. The combined brands, for example, will have more leverage with suppliers, Tristano said. They also could eliminate redundancies by combining some administrative functions, he said. Arby's and Wendy's, though, are well-developed brands with their own identities, Tristano said. It doesn't make sense to blur the line between the two, he said. While both are in the fast-food category, Arby's is known for sandwiches, competing most directly with the likes of Subway and Quiznos.

Wendy's is known for burgers, taking McDonald's and Burger King head on. "I think you're most likely to see franchisees of one brand or the other getting the other brand because they're not competing directly," Tristano said. "It's very unlikely you'll see co-branding (both units in the same store). The biggest co-branding today is Yum, and they've already talked about doing less co-branding." Arby's and Wendy's executives have said they will create a consolidated support center in Atlanta to manage "company responsibilities and other shared services." But under the terms of the deal, Arby's and Wendy's will operate as separate business units and keep their respective headquarters in Atlanta and Ohio.

The deal would cap years of turmoil at Wendy's, which has struggled to find leadership and a consistent advertising campaign since the 2002 death of founder Dave Thomas. Wendy's created a special committee last year to review strategic options. It ended up recommending a sale. Pending completion of the deal, Triarc CEO Roland Smith will become Wendy's CEO, too, and leave his job as Arby's CEO. The senior leadership team at Wendy's also will include David Karam, a large Wendy's franchisee. Many franchisees think the deal could be good for Wendy's because of the new management, said Walter Butkus, a partner with Redding, Conn.,-based Restaurant Research LLC. Compared to most franchised chains, Triarc has a high number of company-owned restaurants, which means top executives have to know how to run stores, he said. "The new management team that's coming in is seen as having more restaurant experience and operational experience than the management team that's on the way out," Butkus said. "That is seen as a positive." Arby's and Wendy's, though, will continue to face a difficult U.S. fast-food market. Restaurants have been dealing with higher food prices, a rising minimum wage for workers and customers looking for better deals because of the economic slowdown.

Arby's and Wendy's might not look dramatically different to customers after the merger, but combining the brands could offer new opportunities for improving the bottom-line, Technomic's Tristano said. "I think this is definitely more of a financial transaction than anything else," Tristano said. "In looking at this from a financial standpoint, how do you maximize your investment in the new brand? How do you streamline it? How do you cut costs out and how do you improve your margins?"

Source: The Atlanta Journal-Constitution

### **Famous Dave's Names Christopher O'Donnell as President and CEO**

Famous Dave's of America, Inc. announced that the company's Board of Directors has appointed Christopher O'Donnell, Famous Dave's chief operating officer, as its new president and chief executive officer, effective immediately. Wilson Craft, who was named CEO earlier this year has resigned. With more than 10 years of experience at Famous Dave's, Christopher has developed strong, lasting relationships with our employees and franchisees," said K. Jeffrey Dahlberg, chairman of the board at Famous Dave's of America. "In our view, under Christopher's leadership we won't miss a beat in executing the initiatives put in motion over the past several months and positioning the company for growth in the coming years. With his many years of service to Famous Dave's, his dedication to our company and knowledge of our business and industry, we are confident that he is the right leader for our future." "Wilson was extremely enthusiastic in joining our company to help build on Famous Dave's strong brand and competitive niche within the casual dining industry," said Dahlberg. We recognized his talent and commitment and as a result worked with him to reach an agreement that supported a commuting relationship for a time so his family would not be uprooted too quickly from Atlanta. He has since determined this is not in the best interests of his family. While we regret his departure, we support his decision and wish him all the best. We are fortunate to have a strong leader within the organization, to take the helm." Christopher O'Donnell, 48, joined Famous Dave's of America in 1998 as vice president of Teaching and Learning, a position he held until 2002 when he was promoted to senior vice president of Operations. O'Donnell became executive vice president of Operations in 2006 and was named to his current role of chief operating officer in 2007. "I appreciate the board's confidence and the opportunity to lead Famous Dave's as we continue to position our company for further growth while adapting to the immediate challenges of a difficult operating environment," said O'Donnell. "This is a terrific brand with passion and commitment to providing a differentiated dining experience. I'm delighted to have the opportunity to serve our customers, associates, franchisees and shareholders as president and CEO."

Source: Famous Dave's of America, Inc.

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### **Pizza Fusion Appoints New CEO**

Pizza Fusion, the Ft. Lauderdale-base restaurant chain, named Mark Begelman as chief executive officer, according to published reports. Begelman previously served as chief operating officer of Office Depot, but became interested in the pizza chain that, through its gluten-free pizza, beer and desserts, caters to those with celiac disease, something Begelman was diagnosed with, the Miami Herald reported. The new CEO will oversee Pizza Fusion's aggressive expansion efforts to open 500 franchised units throughout the United States during the next five years. The company operates 75 franchised restaurants, opening its latest outpost in Naperville, Ill., the first Pizza Fusion location for the Chicago area.

Source: Foodservice Equipment & Supplies

### **Listen to the Music' at the All-Industry Celebration**

Doobie Brothers to headline The NAFEM Show's premier networking event. The GRAMMY® Award-winning Doobie Brothers are set to perform at The NAFEM Show All-Industry Celebration (AIC), Feb. 6, 2009, Valencia Ballroom, Orange County Convention Center, Orlando, Fla., USA. The Doobie Brothers have maintained a high-level of success for more than three decades, selling more than 50 million records, 16 Top 40 hits and 11 multi-platinum albums, including their breakthrough 1972 album, Toulouse Street. Their popular releases include: "Listen to the Music," "Rockin' Down the Highway," "Black Water," "Long Train Running," "Takin' it to the Streets" and "It Keeps You Running." The AIC features a first-class reception, dinner and an awards ceremony honoring some of the foodservice industry's most distinguished members. Tickets can be purchased when registering for The NAFEM Show at \$150 per person or \$1,500 for a table of 10. Online registration is available at [www.thenafemshow.org](http://www.thenafemshow.org). The NAFEM Show, Feb. 5-7, Orange County Convention Center, Orlando, Fla., USA, attracts approximately 20,000 foodservice professionals and features more than 600 exhibitors displaying products for food preparation, cooking, storage and table service. FS/TEC, a niche, high-tech trade show for the restaurant and hospitality industries, co-locates with The NAFEM Show, offering attendees the complete spectrum of foodservice equipment, supplies and foodservice-related technologies all under one roof. For more information on The NAFEM Show, the AIC and to download photos of the Doobie Brothers, visit [www.thenafemshow.org](http://www.thenafemshow.org).

Source: The NAFEM Show

### **CKE Opens Hardee's in Saudi Arabia**

CKE Restaurants Inc. announced it opened a Hardee's in Saudi Arabia - making it the fast food chain's 300th international restaurant. The restaurant, located in Riyadh, Saudi Arabia, is operated by Kuwait Food Co. S.A.K. "Americana," the second-largest Hardee's franchisee and most active developer in the CKE system. In June, CKE Restaurants announced the signing of franchise development agreement for 100 Carl's Jr. restaurants in China over the next eight years, as well as 25 new Hardee's restaurants in Pakistan in the coming five years. CKE also has restaurants in the Middle East, Mexico, Russia, Southeast Asia and American Samoa. CKE plans to double its international presence to more than 600 restaurants within the

next five years. In its most recent fiscal year ended Jan. 28, the company opened 50 new international franchise restaurants -- the highest one-year total in the company's history. Carpinteria-based CKE Restaurants Inc. operates Hardee's and Carl's Jr. restaurants.

Source: Los Angeles Business/St. Louis Business Journal

### **Capuano To Head Development At Marriott**

Marriott International, Inc. announced that James M. "Jim" Sullivan, executive vice president lodging development, will retire April 1, 2009. Capping an illustrious twenty-five year career at the company, Sullivan has been pivotal in growing Marriott's brands and expanding its hotel portfolio from 539 to more than 3,000 today. Sullivan spearheaded the addition to Marriott's growth platform of key brands such as The Ritz-Carlton, Residence Inn and Renaissance, and the launch of Bvlgari, Edition and Nickelodeon by Marriott. Central to Sullivan's legacy and the company's ongoing success was his intense focus on expansion outside of North America. Establishing Marriott development offices in Asia and Europe during the early 1990s, Sullivan led Marriott's unparalleled industry growth from 14 hotels outside the U.S. in 1990 to nearly 400 hotels today. Emblematic of the company's global march, Marriott opened its 3,000th hotel in 2007 with the JW Marriott Beijing. Sullivan will be succeeded in his role by Tony Capuano, a 13-year Marriott veteran who will become executive vice president global development, reporting to Arne Sorenson, executive vice president, chief financial officer and president continental European lodging. J.W. "Bill" Marriott, chairman and chief executive officer of Marriott International, said, "It is certainly with very mixed emotions that I announce Jim's retirement. He has been instrumental to our incredible growth and success, and it's hard to imagine him not here. But I understand his desire to slow down his famous breakneck pace and spend more time with his children and grandchildren. He deserves, and has, my tremendous gratitude." "Thanks to the hard work of our development team under Jim's leadership, our worldwide pipeline of hotels under construction, awaiting conversion or approved for development exceeds 130,000 rooms. And with about 60 percent of our full service pipeline located outside the United States, we're poised for great new growth. Sullivan joined Marriott in 1980 as vice president of finance and planning for Marriott's restaurant and theme park operations. After leaving the company to assume the presidency of a privately owned chain of fast food restaurants, Sullivan returned, and in 1990, was appointed head of development. Prior to joining Marriott, Sullivan held a series of positions with well-known brand companies. Capuano is currently responsible for full service hotel development across North America, the Caribbean and Latin America, where the company recently announced an unprecedented growth trajectory, doubling its plans for hotels in Mexico over the next three years. He will transition to his new responsibilities over the next seven months. Mr. Marriott said, "I am delighted that Tony Capuano will assume global development duties for our company. Tony is intent on growth, is an astute and skilled developer, and he has the great respect of both his team and our development partners." For the better part of a decade, Capuano headed Marriott's full service hotel development in the Western United States and Canada. He began his career with the company in 1995 in the market planning and feasibility area.

Source: Marriott International, Inc.

### **Hoshizaki To Buy Gram Commercial**

Hoshizaki Electric Co., headquartered in Toyoake, Japan, plans to expand its worldwide share of the commercial refrigeration market with the acquisition of Danish refrigerator maker Gram Commercial. The deal, executed via wholly owned subsidiary Hoshizaki Europe Holdings B.V., of Amsterdam, the Netherlands, is valued at more than \$76 million. Gram, owned by Equity Datterholding 1 ApS, is a leading supplier of commercial refrigerators and freezers to the European foodservice market. The Vojens, Denmark, company operates subsidiaries in Denmark, England, Germany and Holland, and branches in Austria, France and Scandinavia. Following the acquisition, Hoshizaki and Gram plan to develop new products that combine energy-saving technology and natural refrigerants.

Source: Food Equipment Reports

### **Palm Palace Names Foremost Expert in Mediterranean Cuisine as Executive Chef, to Lead Restaurant Food Operations and Dearborn Commissary**

Palm Palace, LLC, appointed Jamil Eid, a veteran of 50 years of practicing Mediterranean culinary arts, executive chef for the organization. His responsibilities will include supervision of all food operations and quality control for both Palm Palace Restaurants and at the company's 35,000 square feet Commissary at 13250 Rotunda Drive, Dearborn. Clinton J. Hamet, chief operating officer of Palm Palace, which opened the first of 5-8 restaurants earlier last month at 15750 Hall Road, Clinton Township, announced the appointment and the new Commissary. Eid is the foremost expert in Mediterranean cuisine in Southeastern Michigan. He was educated in the art of Mediterranean food at a culinary arts school and he perfected his craft and operated restaurants around the world including Australia, Northern Africa, and the United States where for 20 years he was executive chef and originator of the LaShesh recipes for the now defunct chain. "Chef Eid, for all intents and purposes, invented Mediterranean cuisine as we know it in the United States," Hamet said. "He personally trained and supervised many of the Mediterranean Chefs in the Midwest." "In a multi unit restaurant organization, a commissary is key to helping maintain the quality and consistency of flavors in the food we serve," Hamet said. "We believe Chef Eid is the best in the art of Mediterranean cuisine. He brings Palm Palace a library of wonderful recipes and we will introduce new dishes and flavors from such Mediterranean Countries as Morocco." Hamet, who himself brings experience in restaurant development at A&W Restaurants, Long John Silver's Restaurant and Marco's Pizza, said the new commissary will employ up to 60 persons. The company expects to open another restaurant this year and up to five in two years.

Source: Palm Palace, LLC

### **DDIFO Calls for New Oversight in the Wake of Federal Indictment of Former Dunkin' Brands Executive**

The DD Independent Franchise Owners, which represents the largest association of Dunkin' Donuts franchise owners in the U.S., is calling for the institution of greater controls over the franchisee ad fund, including direct franchisee oversight and regular audits by an independent CPA and made available to all franchisees. This comes in response to the news that a former executive with Dunkin' Brands has been indicted by the U.S. Attorney's office on charges of mail fraud in connection with an alleged kickback scheme involving ad fund dollars. DDIFO President Mark Dubinsky says, "Dunkin' Brands acts as ad fund fiduciary on behalf of its franchisees, which hold the integrity of their ad fund as near-sacrosanct. That such an alleged breach occurred is totally unacceptable. The DDIFO feels that appropriate controls of the ad fund, including direct franchisee oversight and CPA audit, must be instituted immediately." The U.S. Attorney's case, filed on August 31, 2008, alleges Carolyn Kravetz, the former communications director for Dunkin' Brands steered \$400,000 in business to Boris Levitin, owner of Luminore, a graphic design company, in exchange for a 50% kickback. The funds Dunkin' Brands paid to Luminore came from the ad fund, which is financed by contributions from all Dunkin' Donuts franchisees. Kevin McCarthy, Chairman of the Board of Directors for DDIFO, points out that this case highlights the fact that no entity can realistically be expected to always "obey all laws" even though that language is currently used by Dunkin' Brands as justification for the termination of Dunkin' Brands' franchise agreements. McCarthy says, "If nothing else, this federal case shows that not even Dunkin' Brands can comply with its own 'obey all laws' clause. It is unconscionable to terminate franchisees for failing to do what even the franchisor can't do." Dubinsky says, "The DDIFO firmly believes the "obey all laws" clause should be eliminated from the franchise agreement as an unworkable standard of perfection, particularly as it is being used by Dunkin' Brands to justify franchise terminations."

Source: Ellis Strategies, Inc.



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### **Sweet Peppers Deli Announces Newest Franchise in Gulfport**

After Gustav leaving the Gulf Coast in much better condition than initially expected, Sweet Peppers Deli is proud to announce that its newest set of franchisees, David and Joyce Cadwallader, plan to open their first location of Sweet Peppers Deli in Gulfport, Mississippi. The new location will be in Arcadian Plaza Shopping Center on Highway 49. David and Joyce have become familiar faces in the restaurant industry of Gulfport, as David has held the prestigious position of General Manager at the Great Southern Club in Gulfport. Over the past seven years he has been credited with much of the success the Great Southern has achieved both financially and on the service side of the operation including helping return it to pre-Katrina success levels. Originally from England, the Cadwalladers became permanent US residents approximately eight years ago. David was then recruited by the Mississippi Management Dining Systems, Inc. where he began his tenure with the Great Southern Club. With an opening date set towards the end of 2008 the Cadwalladers and the partners of Sweet Peppers Deli intend to build on the dynamic success the company has experienced. “We are hands on type managers,” stated the Cadwalladers, “and we are excited about the opportunity to help develop the Sweet Peppers Deli concept here on the Mississippi Gulf Coast. This community has been through so much in the past few years and we are happy to help with the revitalization of this area as it returns to its pre-Katrina state.” The Cadwalladers both have a strong international background in Food and Beverage. David, born in Reading, England, completed studies in Hospitality Management from Liverpool University where he then went on to join with Hilton International Hotels in London Park Lane. He steadily worked his way into senior management, over his 16 year career with Hilton International holding positions in Thailand, Indonesia, Bali and independent hotels in Dubai and Ireland. Joyce Cadwallader was born in Halifax, England and attended Huddersfield University where she studied Hotel and Catering Management.

Source: Sweet Peppers Deli

### **Granite City Food & Brewery Ltd. Announces Changes to Management Structure Darius Gilanfar Promoted to Chief Operating Officer**

Granite City Food & Brewery Ltd. announced the following management changes. Darius Gilanfar has been promoted to the role of Chief Operating Officer and will oversee Field Operations, Purchasing and Kitchen Management. Mr. Gilanfar was hired as the SVP of Operations in September of 2007 and brings with him over 20 years of restaurant experience having worked for The Cheesecake Factory, Brinker International and Barnes & Noble – Starbuck’s Division. Eric LaClair, who has held the position of District Operator and has over 8 years experience with Granite City will assume the role of SVP Operations. Mr. LaClair previously was a member of the Champ’s Americana restaurant group. Jim Gilbertson, Chief Financial Officer since November, 2007, will continue in the role of CFO and oversee IT and Construction. Mr. Gilbertson has held various positions at companies such as ValueVision Media, Navarre Corporation and Intelefilm. “We are pleased to make these changes in our management structure,” commented Steve Wagenheim, CEO and President. “With the growth of Granite City, we realized that our structure needed to change in order to provide greater depth and meet the demands of a company approaching \$100 million in revenue. These changes allow Darius to continue to focus on the operational side of our business. His strategic initiatives and implementation have begun to revive the margins at the restaurants over the past

year and we want to encourage these results in the future. Jim has experience working within much larger organizations and his ability to oversee these additional departments will enable Darius and his team to concentrate on restaurant operations. Over the past several months we have pushed all of our people to take on greater responsibility and these changes are the natural outcome of that initiative.”

Tim Cary, former Chief Operating Officer, tendered his resignation.

Source: Granite City Food & Brewery Ltd.

### **DineEquity CFO Resigns**

DineEquity Inc., owner of the Applebee's and IHOP brands, said Chief Financial Officer Thomas G. Conforti resigned, effective immediately, to pursue other opportunities.

DineEquity, which has more than 3,300 restaurants, hired search firm Crist Kolder Associates to help find a successor. Corporate Controller Gregory Kalvin was named interim finance chief. Chief Executive Julia A. Stewart said, "Tom is a great professional and, since joining our team nearly six years ago, he has been a valuable partner in positioning IHOP and now DineEquity for long-term success." Mr. Kalvin, a certified public accountant, has 25 years of experience in top accounting and finance roles. He joined DineEquity in 2007 and previously had a number of jobs at J2 Global Communications Inc. , including chief accounting officer and controller. He spent eight years at accounting firm KPMG. "Gregg is an experienced and well-respected finance professional. We are fortunate to have him and are delighted that he has agreed to take on these additional responsibilities at our company," Ms. Stewart said.

Source: The Wall Street Journal

### **National Restaurant Association Member Testifies on Key Tax Issue at Congressional Hearing. Joe Clements Appears Before U.S. House Small Business Committee**

Louisiana restaurateur Joe Clements, a member of the National Restaurant Association, testified before the U.S. House of Representatives Committee on Small Business about the harmful effect current restaurant depreciation tax law has on restaurants and small businesses and urged lawmakers to push for inclusion of 15-year depreciation schedules for new restaurant construction and improvements in the 2008 tax extenders bill. Clements, the owner of Clements Management, LLC and a Burger King franchisee, shared his concerns with Chairwoman Nydia Velazquez and the Committee. "I am a Burger King franchisee in Louisiana, and I am also a Certified Public Accountant by training and education, so I know how much taxes can impact small businesses like mine," Clements told the Committee. "I'm here today to urge Congress and this Committee to extend and include 15-year depreciation schedules for new restaurant construction and improvements in this year's tax extenders package. There is no question that restaurant depreciation schedules are outdated. According to the tax code, restaurant buildings have a 'life' of 39 ½ years over which they are written-off. To suggest that a restaurant building's 'actual life' is 39 ½ years is simply not realistic. It is time these schedules more accurately reflect the life of the property. "Restaurants operate, on industry average, on margins of four to six percent, and every penny counts, especially for small businesses and franchisees like me," continued Clements, who has been part of the restaurant industry for 13 years and previously practiced public accounting for 19 years. "Depreciating property over a shorter amount of time has a direct impact on a restaurant's bottom line by allowing a restaurateur the immediate cash flow to reinvest in their business." In recent years, Congress has made changes that allow certain industries that directly compete with restaurants to benefit from shorter schedules. These schedules range from seven years for food outlets located in amusement parks to 15 years for convenience stores attached to gas stations. "Previous changes to the depreciation schedule for certain industries and the exclusion of a new restaurant construction provision have placed certain businesses at an economic disadvantage," said Clements. "The tax code should not pick winners and losers in the restaurant industry and should allow all to compete on a level playing field." Clements said the National Restaurant Association supports two bipartisan bills pending in the 110th Congress that address accelerated restaurant depreciation. In the U.S. House, H.R. 3622, championed by Reps. Kendrick Meek of Florida and Patrick Tiberi of Ohio, would make permanent a 15-year depreciation schedule for newly constructed restaurants

and restaurant improvements. The bill currently enjoys 161 cosponsors in both parties. Senators Kay Bailey Hutchison of Texas and Jon Kyl of Arizona have introduced companion legislation, S. 2170, which also enjoys bipartisan support in the U.S. Senate. Clements told the Committee that restaurants are a small-business industry and an economic powerhouse. He explained that the restaurant industry is the second largest private sector employer outside of the federal government with more than 13 million employees nationwide - representing more than 9 percent of the job-base - and that the industry's sales for this year are projected to be \$558 billion, equaling four percent of the U.S. gross domestic product. Nationwide there are 945,000 restaurant and food service outlets, and more than seven out of 10 eating-and-drinking place establishments are single-unit operations. This year the restaurant industry is estimated to have an overall economic impact of \$1.3 trillion, with every dollar spent dining out generating \$2.34 in business for other industries.

Source: The National Restaurant Association

### **Hardee's Sells More Stores**

CKE Restaurants has announced the sale of 29 Hardee's restaurants as part of its ongoing strategic refranchising program that was originally announced in April 2007. To date, the company has sold 224 restaurants to franchisees and secured commitments for 105 new franchise restaurants under development agreements for those markets. Recently, the company completed the sale of 23 restaurants in Indiana and Ohio to Midwest First Star. Midwest First Star has also committed to build a minimum of seven new Hardee's restaurant locations over the next seven years in these markets. Previously, the company also completed the sale of six restaurants in the Davenport, Iowa market to Westar Foods. Westar joined the Hardee's franchise system in 2007 through the purchase of the Des Moines and Cedar Rapids, Iowa markets. Westar has also committed to build a minimum of four new Hardee's restaurant locations in the Davenport market over the next four and a half years. Both transactions were brokered by Franchise Resale Consultants, doing business as Praetorian Group.

Source: Food Business Review

### **Chick-fil-A to Open New Stand-Alone Restaurant in Norman, Oklahoma**

Chick-fil-A, a chicken restaurant chain, has announced that it will open its first stand-alone restaurant in Norman, Oklahoma. According to the company, a one-year supply of free Chick-fil-A meals will be awarded to each of the first 100 adults at the new stand-alone restaurant in Norman. Mike Hilgenfeld has been selected as the franchised operator of metro Oklahoma City's newest stand-alone Chick-fil-A restaurant, where he will employ about 55 team members. The new Chick-fil-A in Norman is the fourth stand-alone Chick-fil-A in metro Oklahoma City and the eighth in the state. Mr Hilgenfeld said: "Since its first chain restaurant opened more than 40 years ago, Chick-fil-A has become synonymous with freshly prepared food and 'my pleasure' customer service. My team and I are eager to continue that legacy at Norman's first stand-alone location."

Source: Food Business Review

### **Charles Mathewson Increases Stake in Grill Concepts**

Grill Concepts, Inc. announced the completion of a \$5 million private offering of convertible preferred stock and warrants to Charles N. Mathewson as trustee of the Charles N. Mathewson Trust. "The company has made great strides successfully executing an accelerated expansion strategy that was initiated over two years ago, and this capital infusion ensures our ongoing progress," said Philip Gay, president and chief executive officer. "Chuck Mathewson has been a long time friend and investor of the company. Chuck's increased investment underscores his firm belief in the value of our Grill on the Alley and Daily Grill offerings and

the promising prospects for our company. We welcome his support and trust." Grill Concepts sold 5,000 shares of convertible preferred stock, which are entitled to cumulative dividends at the rate of 7.5 percent per year. Each preferred share is convertible into 250 shares, or an aggregate of 1,250,000 shares, of Grill Concepts common stock, representing an effective conversion price of \$4.00 per share. The transaction included warrants for the purchase of up to 600,000 additional shares of common stock at \$4.00 per share, exercisable for a period of seven years. The company intends to use the proceeds of the private offering for its restaurant expansion program and general working capital purposes. Additional information related to the private offering is detailed in a filing made by the company with the Securities and Exchange Commission on September 5, 2008.

Source: Grill Concepts, Inc.

### **Indian Restaurant Boosts Teriyaki Experience U.S. Bid**

Makhan Bains is an Indian restaurant industry heavyweight in the San Francisco region, with two restaurants and a large catering business. Canadian franchise concept Teriyaki Experience is banking on Bains' restaurant savvy to expand the brand in Northern California. A year ago, Bains' Raja International Inc. became an area developer for Teriyaki Experience. He has already led the launch of three locations, in San Francisco, Hayward and Union City. Bains owns two of the franchises. The third he led the development of as an area developer. Another location, in Cupertino, is on track to open soon. Founded in 1986, the Oakville, Ontario-based Teriyaki Experience is an Asian-inspired quick-serve concept. Meals are prepared on the "teppanyaki griddle" right in front of customers and combine vegetables and bean sprouts with chicken, beef, shrimp or tofu, and a choice of Japanese steamed rice or yakisoba noodles. All dishes are cooked with water, not oil, which minimizes the calorie and fat content to fit a health-conscious lifestyle, according to the company. Teriyaki Experience has approximately 120 locations, predominantly in Canada. The chain first opened in the United States in Atlanta in June 2007 and currently has five U.S. restaurants. The company has commitments for more than 200 locations in the next half-decade and is aiming for 600 total restaurants, targeting Georgia, Florida, New York, California, Iowa, Texas and Nebraska. The U.S. push is part of the chain's overall international expansion strategy. It plans approximately 200 other locations in countries including South Africa, Costa Rica, Italy, Egypt and the United Arab Emirates. Mirroring the chain's overall ambition, Bains has aggressive plans for Teriyaki Experience in his region, hoping to lead the opening of approximately 100 locations in the next seven years. "It is very ambitious, but it is doable because of the great concept," he said. "The concept is right and with my connections in the restaurant industry – plus people are looking for a good opportunity – I am getting a lot of inquiries from potential franchisees." In Northern California, in particular, Bains feels that Teriyaki Experience plays right into the overwhelming interest in healthy food. "In the San Francisco Bay area, everybody is a health nut," he said. "And with this being new to the area, it is getting a good response." "I haven't seen any concept in the U.S. who cooks with water on the grill. They all use oil," he added. "The chicken dish is only 2.5 grams of fat – nobody can beat that." Bains was Teriyaki Experience's first non-employee area developer in the United States. The chain now has over a dozen pushing the brand throughout the country. With things just getting rolling in the United States, Bains only expects the chain to heat up. "Once we start marketing in the U.S., it is going to take off," he said. "The Teriyaki Experience is not just a name. It is a unique concept – nobody is doing it." According to Arancio, Bains is exactly what Teriyaki Experience is looking for in an area developer. "He is a very good example. He is an entrepreneur. We are looking for entrepreneurs," Arancio said. "The people who become area developers need to be large players." He added that area developers need to be people that have the experience juggling multiple restaurants and predominantly have done so within the franchise industry. All area developers are required to also open more than one Teriyaki Experience. Arancio believes Teriyaki Experience is perfectly situated for success because it hits on two levels. "The U.S. has tremendous potential for growth ... the most in the world," he said. "The Asian market is a very good market and it is a growing market in the industry."

Source: IndUS Business Journal



### **Barbecue Franchisee Out to Grow in Michigan**

Novi restaurant, which also sells chicken, collard greens, hot dogs, dessert, part of chain's expansion. Sharon Byrd figures she can yank people away from their customary burgers, subs and pizza with the lure of a pulled pork barbecue sandwich with sides of collard greens and mac and cheese. After raising a family, Byrd decided to start a business and discovered Virginia Barbecue, a franchise based in Fredericksburg, Va., with 12 locations in its home state and Delaware. She opened her own Virginia Barbecue restaurant before Labor Day and now serves the fast-food cuisine from her 1,400-square-foot eatery that seats 24 people in a strip mall along Grand River in Novi. "I've heard a lot of comments like 'Barbecue is my favorite food' and 'Pulled " Byrd said. "People still dine out, and around here is so pork sandwich, Yea,' much business. I have 100,000 people who work in a three-mile radius who want to go out for lunch and have something different. And we're affordable." Combination meals that feature a barbecue sandwich with two sides and a 20-ounce pop go for \$7.89. The restaurant also serves ribs, chicken, hot dogs, desserts and catering packages. Virginia Barbecue offers authentic regional barbecue dishes and uses efficient equipment to prepare its food and keep costs down, said Darren Tristano, executive vice president at Technomic, a food service information firm in Chicago. "This is a very well-positioned concept," Tristano said. "They give people an opportunity to get a good restaurant experience without having to pay too much and without a tip." The catering option also boosts sales in this category as evidenced by Famous Dave's, which generates about 30 percent of its sales through off-site packages, he said. The Virginia Barbecue chain is undergoing a rapid expansion with its 14th location opening soon and the firm plans to have three more units up and running this fall. The company has restaurants planned in Arizona, California and Florida.

"We've been doubling each year for last two years," founder Rick Ivey said. "Our goal is to have 100 stores open by the end of 2012." Ivey said his franchise is attractive for several reasons, including a unique menu, lack of similar fare in a fast-food setting and affordable start-up costs. Opening a full-service barbecue restaurant will set someone back more than \$1 million, but a franchisee can invest about \$150,000 for a Virginia Barbecue, he said. Locally, Byrd also serves as the area developer for the chain and is looking for people who want to own their own business and would like to open in her territory, which stretches from Ann Arbor to Troy. Her contract calls for 14 units in the territory and Byrd, once things settle down at her first location, plans to open two more outlets herself.

Source: detnews.com

### **Historic First Waffle House Restaurant Becomes Museum**

An Atlanta institution celebrated history last week. The Waffle House Company turned their first restaurant into a museum. Walk into any Waffle House restaurant and it's almost as if time stood still. Now, the Avondale Estates Waffle House will open as a museum. The company's founders remember back to 1955 when the first Waffle House restaurant opened. "Well, there wasn't a restaurant out here in Avondale and Tom wanted one so he said he'd build it if I showed him how to run it and that's how it all got started," said Waffle House founder Joe Rogers. For long-time Waffle House customers, the museum opening brought back memories. "Between here and Augusta, where we grew up together, we knew every waffle house," said customer Carolyn Branan. In 50 years, not much has changed at Waffle House restaurants except the prices on the menu. In 1955, a cheeseburger cost \$0.45 and a cup of coffee went for \$0.05.

Chic-fil-A founder Truett Cathy remembered those times. "Seeing the uniforms, talking to people, realizing they served coffee here for five cents as we did. We used to serve a complete breakfast for 35 cents," said Cathy. One Waffle House waitress, who had been with the company almost from the beginning, said she had spent 50 years behind the counter. "Scattered, smothered and covered. I wish I had a penny for every order, I'd be a millionaire," said Waffle House employee Lucy Chartun. From the first Avondale restaurant, Waffle House has grown to more than 1,500 restaurants. The Waffle House museum will be open daily.

Source: FOX 5 Atlanta WAGA

### **Calistoga Artisan Sandwiches Expanding**

Schnatter to open Calistoga Artisan Sandwiches downtown Louisville. The restaurant, Calistoga Artisan Sandwiches, will include an espresso bar and a menu with sandwiches such as turkey artichoke on herb focaccia bread. Schnatter is the founder of Papa John's International, the nation's third largest pizza chain. Calistoga has three locations in Florida and one in Lexington, Ky. The new downtown restaurant will be located inside the University of Louisville's Health Care Outpatient Center, an eight-story building that opened earlier this year at 401 E. Chestnut St. A second local Calistoga store that previously had been announced for Dutchmans Lane is still scheduled to open this fall. The locations outside Louisville are called Calistoga Bakery Café.

Source: courier-journal.com

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)

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