



**January 28, 2009**

**Dominick Scarfogliero is Promoted to President & COO of Win-Holt Equipment Group**

Win-Holt Equipment Group announced the promotion of Executive Vice President Dominick Scarfogliero to President & COO. Scarfogliero has served as Executive Vice President & COO since May 2006 and joined Win-Holt Equipment in 1993 as Vice President of Operations and Information Technology. Prior to joining Win-Holt, he had extensive experience in the consumer electronics' industry, where he led the operations, distribution and technology for two major US consumer electronics companies. Jonathan Holtz, Win-Holt's Chairman & CEO, stated: "Dominick has contributed tremendously to the company's global growth since he moved into the role as Executive Vice President & COO. Win-Holt has a strong history of being a leader in our markets, and I am very confident in Dominick's abilities to continue to successfully expand the company in the future. One of my greatest satisfactions has been seeing the quality associates we have do outstanding work and grow within our organization to better serve our customers".

Source: Win-Holt Equipment Group

**MAFSI Moves to New Offices - Please Make a Note of the New Information:**

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**Pizza Patron Expects Aggressive Expansion**

Pizza Patron, a North Texas operator of Latino-Hispano-style pizza restaurants, has announced plans to double the number of restaurants it operates in the United States by 2011. Dallas-based Pizza Patron has 90 stores in six states and plans to double that in two years. The company also expects to have 750 new stores within the next 10 years, the company said in a statement. The company's aggressive growth plans are inspired by studies, which suggest one in five U.S. residents in 2020 will be Latino. That projection is expected to grow to one in three in 2050, Pizza Patron said in a statement. Pizza Patron already has agreements to create 40 new stores in 10 markets. The company believes that number will increase by at least 200 percent before the end of this year. "Now is the perfect time for us to implement an aggressive expansion strategy," said Andrew Gamm, director of brand development for Pizza Patron. "Today's challenging economic climate and shifting consumer base has created the opportunity of a lifetime for our concept. Our Latino-Hispano brand focus naturally aligns us with the youngest and fastest-growing demographic in the U.S., ensuring solid growth potential for decades to come."

Source: Dallas Business Journal

### **Gary Weyhausen New VP of Sales and Marketing at Hoshizaki America**

Carter Davis, Executive VP of Hoshizaki America announced the hiring of Gary Weyhausen as VP of Sales and Marketing. Gary comes from the Shurflo Company where he spent the last 25 years.

Source: Hoshizaki America

### **Licensing Key for Einstein Noah Growth in '09**

Einstein Noah Restaurant Group Inc. is sticking to plans to grow mostly by adding licensed locations in 2009 as diners eat out less and credit markets remain tight. The fast-casual coffee and bagel chain said this month that it plans to open six to eight new restaurants on its own, matched with the same number of franchise restaurants this year, where franchisees develop a new store that meets company guidelines. It also plans to open 30 to 35 license restaurants, where licensees use the company's brands to open bagel and coffee operations in such locations as airports, colleges and hospitals. Paul Carolan, senior vice president of franchising and licensing for Lakewood-based Einstein Noah, said adding licensed and franchised stores will be key to meeting customer demand. "We just can't build them fast enough ourselves," he said. Still, the sour economic climate has affected sales. In the quarter ending Sept. 30, comparable store sales fell 1.7 percent. Carolan said fast-casual chains haven't been hurt as much as casual dining restaurants where customers typically stay to eat a meal and tip their servers. Franchisees have reported tighter requirements from lenders but also some room to negotiate with landlords on rental terms, Carolan said. The process of opening new stores also has slowed, he said. In September, Einstein Noah said it hoped to have five new franchised Einstein Bros. Bagels locations open at the end of 2008. Instead it had two, according to a regulatory filing with the Securities and Exchange Commission. Einstein Bros. Bagels launched its franchise program in December 2006. It has not changed its requirements for franchisees to be worth at least \$1 million, with \$400,000 in available liquid assets.

Source: The Associated Press

### **Darden Projects 'Modest Recovery' For Industry In 2010**

Darden Restaurants Inc. executives expect a modest recovery in the casual-dining industry in 2010 after yet another down year for the sector in which consumers make fewer visits to restaurants and spend less. Speaking at an investor and analyst meeting, Darden's Chief Executive, Clarence Otis, presented the casual-dining sector as one that has reached maturity. Annual sales growth in casual dining is slumping below historical levels, driven by one of the sector's key demographics, Americans between 50 and 60 years old, aging, and as the percentage of women entering the workplace slows. "Many of the changes that have taken place will not be temporary," Otis said, adding they were part of a "new long-term reality." While the shifts did not spring up overnight, the current economic recession, one of the worst in generations, has amplified the speed and magnitude of the changes, causing Darden, which operates Olive Garden, Red Lobster and other chains, to accelerate plans to strengthen its brands and operations. As such secular trends set in, Darden and other large casual-dining chains, like Brinker International, will have to focus more on capturing traffic from smaller chains and mom-and-pop eateries, which are projected to struggle more and have to close more locations through the downturn. Restaurant analysts are calling for a meaningful decline in the number of restaurant locations to help correct an oversupply after years of overbuilding. Goldman Sachs analyst Steven Kron recently estimated that 12,000, or up to 8% of all casual-dining locations, are needed to close to balance supply and demand, with most of those expected to be bar and grill concepts and independent restaurants. As smaller chains struggle, Darden hopes it can pick up more of their share, and plans to "add meaningfully" more new restaurants in the next five years than other large chains. The Orlando, Fla.-based company said that it plans to open between 52 and 65 new restaurants in fiscal 2010, down slightly from fiscal 2009 openings of between 68 and 72 units.

Source: Dow Jones Newswires



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### **Bob Evans Says President to Retire, to Split Post**

Restaurant-chain operator and meat-products producer Bob Evans Farms Inc. said its President Roger Williams would retire after almost 42 years and his position would be split into two. The company promoted Vice President Randy Hicks to the new chief concept officer position and Harvey Brownlee was named president and chief restaurant operations officer. Brownlee was most recently the chief operating officer of KFC at Yum Brands Inc., the company said. Williams will stay with the company till the end of February to help with other organizational changes, Bob Evans said.

Source: Reuters

### **Baskin Robbins Opens 100th Outlet in UAE**

Baskin Robbins, a chain of ice cream parlors, has opened its 100th store in the United Arab Emirates at the Dubai Marina Mall. This store has been opened in association with regional partner Galadari Ice Cream. Business Intelligence Middle East cited Rajesh Thapar, Galadari Group's CEO, as saying that 40 more store openings have been planned for 2009. The company intends to open new store formats such as the Baskin Robbins Cafe and Baskin Robbins Express, Mr Thapar added. The source quoted Srinivas Kumar, chief brand officer of Baskin Robbins Worldwide, as saying: "I am delighted to see how Galadari Ice Cream has grown to become one of our key strategic partners. Our association with Baskin Robbins Middle East is a source of great pride and I congratulate the team on reaching this notable landmark."

Source: Food Business Review

### **Sysco CEO to Retire, CFO Tapped as Replacement**

Food distributor Sysco Corp. said its Chairman and Chief Executive Richard J. Schnieders will step down as CEO on March 31 and retire completely on June 27. Schnieders, 60, will be replaced as chief executive by Bill DeLaney, 53, Sysco's executive vice president and chief financial officer. Ken Spitler, 59, company president and chief operating officer, has been promoted to vice chairman of the board of directors. He will also keep his current titles. DeLaney will continue to serve as CFO until a replacement is named. In November, Houston-based Sysco said fiscal first-quarter profit rose 4 percent, while revenue rose 5 percent to \$9.88 billion. Sysco distributes food to restaurants, health care and school facilities, hotels and other customers who prepare meals away from home.

Source: BusinessWeek

### **Panera Bread Chief to Open 70 to 90 Stores in 2009**

Panera Bread Co. plans to take advantage of its debt-free balance sheet and the U.S. real estate slump to open as many as two locations a week in 2009, Chief Executive Ronald Shaich said. The company, based

in Richmond Heights, Missouri, will open 70 to 90 stores this year, Shaich said today in a telephone interview. Sales growth at Panera stores open at least a year were probably “north of 3 percent” for 2008, he said. “A recession is a time to develop if you have the balance sheet to do it, and we do,” Shaich said. “There will be opportunities; the real estate market is in stagnation.” Panera plans to drive breakfast sales by improving its coffees and offering a yogurt parfait starting later this month, Shaich said. Shaich sees earnings per share growing at least 15 percent this year, thanks in part to wheat costs that were locked in at two-thirds the price Panera paid last year. “Value for us is not about being the cheapest,” Shaich said. “If people believe you’re worth going out of their way for, they’re willing to pay for that.” While the company raised prices last year amid rising wheat costs, it doesn’t plan to lower them to win foot traffic.

Source: Bloomberg.com

### **Pizza Inn Cuts Royalties that Franchisees Pay**

Pizza Inn Inc. is offering to charge new and existing franchisees lower royalty rates to entice more to open the company's buffet-style restaurants amid a credit crunch. The Dallas-based chain said Wednesday it will charge franchisees a zero percent royalty for their first year of operation and 2 percent the second year. The royalty rate for the rest of the franchise agreement will be at Pizza Inn's standard 4 percent. The company said the program is designed to "ease startup costs" during the first two years of a restaurant's operation. Pizza Inn also said the rate cut is meant to encourage franchisees hesitant to delve into a new agreement given the tight market for credit to buy or open a new location. The resulting crunch has led restaurant companies to try a variety of strategies to both help existing franchisees caught without access to credit and encourage others to enter the business. Papa John's International Inc., for example, has offered to provide loans and has offered some royalty rate relief to its franchisees so they can buy more troubled franchise competitors. Besides buffet-style restaurants, the company also operates locations focused only on delivery and carryout locations and express locations, which are usually located in airports, convenience stores and college campuses. The buffet-style restaurants are typically the most expensive to operate since they are larger and require the most inventory. Franchisees pay a bigger franchisee fee to operate those locations.

Source: The Associated Press/Forbes

### **Restaurants Cozying up to Coupon-Clippers**

Restaurant operators are taking a page from the makers of detergent and diapers, offering coupons to bring back consumers who've been cooking at home to conserve cash. Even veteran restaurant operators who have long derided the profit-eaters concede that in this environment, 75 percent of a sale beats no sale at all. "The numbers of people coming through the door are down, and people that come in are looking for a bargain," said Jim Elrod, who saw sales at his Fishmonger's Seafood Market & Cafe in Plano, TX plummet in the fall. "At this point, I'd rather see my regular customers and reward them with a discount just for coming in." It's easy to find discount meal tickets – in your mailbox, on your doorstep or even online. Diners can save \$4 on two dinner entrées at Olive Garden or get 25 percent off at Fishmonger's with newspaper coupons. Patrons at a TGI Friday's on North Central Expressway in Plano can get 20 percent off with an ad from Clipper Magazine. In coupon mailer Valpak and at Valpak.com, there's a coupon for half off your second dinner entrée at Theo's Grill & Bar in Grand Prairie. Some coupons come in envelopes from companies such as Valpak and Money Mailer. Others are in magazines from companies such as Ad Pages Savings Magazine in Plano and Clipper Magazine. You can buy coupon books such as the Entertainment Book or coupons at Web sites such as Restaurant.com (where you pay, say, \$10 for a coupon for a \$25 meal). Restaurants that advertise with coupon mailers pay a per-household fee (usually 2 cents to 4 cents) to reach homes in a target area. The ad companies send mailers out 10 to 12 times a year. A way of life For some restaurants – especially lower-price chains that deliver – couponing has been a way of life for years. And some consumers have become addicted, refusing to order a pizza for delivery without a coupon. With the current economic meltdown, pricier sit-down restaurants also are courting the clippers. Dallas-based TGI Friday's occasionally uses coupons to bolster sales at a particular restaurant. The company's main focus, however, is on offering discounts to members of its "Give Me More Stripes" customer loyalty

program, a spokeswoman said. Members recently were e-mailed \$5 off coupons for certain entrées. Power of attraction There's evidence that coupons can attract diners. Nearly 60 percent of consumers surveyed in November said a coupon that gives a specific price break – say \$5 off – is most likely to get them to buy more restaurant food, according to a report from American Express' MarketBrief and Technomic Inc., a market research firm in Chicago. And a third of consumers surveyed in August said they were using coupons more frequently than they had during the previous six months. Even Elrod of Fishmonger's concedes that the four other times he's offered coupons since opening in 1981, "it generally kind of backfires." Coupons usually don't attract big spenders who become repeat guests, he said. But with the recession draining consumers of cash, he felt his options were few. "I'm not ready to give up out here," he said, frustration evident in his voice. "We'll do whatever it takes."

Source: The Dallas Morning News

### **Yoshinoya to Open 100 Outlets as Recession Bites Food Budgets**

Yoshinoya Holdings Co., Japan's largest chain of beef-bowl restaurants, plans to add a record 100 outlets in its home market next fiscal year as demand for budget meals increases from recession-hit consumers. The Tokyo-based company aims to increase restaurants in Japan to at least 1,194 by February 2010 and accelerate an expansion in China, adding 60 outlets to the 185 already open there, President Shuji Abe said. "The market is harsh but conditions for investing and opening new stores are positive," Abe said in an interview broadcast on Bloomberg Television. The chain is increasing sales as Japanese consumers, facing bleaker job prospects and stagnating wages, seek budget dining options. The company, which prices a regular serving of its signature "gyudon" beef-on-rice dish at ¥380, posted its third straight gain in Japanese sales. Meanwhile, restaurants classified as "fine dining" by the Japan Foodservice Association have posted eight months of declining same-store sales. Yoshinoya, which has outlets in the U.S., Singapore, the Philippines and Australia, plans to open its first Russian restaurant next fiscal year, Abe said. The company opened its first restaurant in Tokyo in 1899 and now has 1,444 Yoshinoya outlets. The company, which last year bought a controlling stake in Japanese steakhouse chain Don Co., will consider further acquisitions, he said.

Source: The Japan Times/ Bloomberg

### **Franchisee Slice Getting More Attention at Donatos With New Executive**

Restaurant count remains steady at Donatos Pizzeria LLC, but if a push for franchisees gets traction, the chain expects to see growth in 2010. "Our primary focus is on franchise development as we move from a company-owned to franchise model," said John Houck, vice president of development. "The pizza business offers opportunities in a lot of different venues." Houck, a 30-year construction, real estate and development veteran of Wendy's International Inc. and most recently director of U.S. development at Tim Hortons Inc., joined Columbus-based Donatos in December and will help lead plans to rebalance the ratio of franchised restaurants and take the chain to more markets outside Ohio. Spokesman Tom Santor said the goal is for franchises to account for three-fourths of the chain, but the intent is to do that through new openings, not from selling company holdings to franchisees. The company is targeting markets east of the Mississippi River and areas contiguous to clusters of its restaurants. Donatos has 178 restaurants in Ohio, Indiana, Kentucky, Alabama, North Carolina and South Carolina – 112 of them company-owned and 66 franchised. Houck said Donatos hasn't set a restaurant growth target for 2009, but expects the year to be quiet on the store-opening front, with efforts focused on locking down six to eight new franchisees. Any new company-owned pizzerias will replace older ones, he said, while the biggest franchise growth will be in the South through Piedmont Pizzeria LLC, a North Carolina-based franchisee with the rights to more than 60 restaurants. Piedmont opened 14 pizzerias last year. In its restaurants, Donatos has been tweaking the look and layout for the past several years, starting with a test at Mill Run near Hilliard. The chain spent \$5 million last year on new logos, paint work and, in some cases, renovations at about 45 of its 60 Central Ohio shops. New and remodeled pizzerias have open kitchens, designed to allow more interaction with customers. The newer restaurants also are smaller and less reliant on customers dining in than many of the

shops put in place from 1999 to 2003, when McDonald's Corp. owned the chain. "Pizza is an off-premise category," Santor said.

Half of sales come from delivery, 25 percent to 30 percent from pick-up and the rest from dine-in customers. Houck said advances at the company's bakery allow Donatos to fill smaller or irregular spaces because dough-making has been centralized, reducing kitchen space needed in the restaurants.

Source: Business First of Columbus

### **The Taco Maker to Open 25 Stores in 2009**

The Taco Maker, based in Orlando, has announced that 25 new stores will open this year around the world, part of an overall development plan of 900 more stores. Currently the chain has more 185 units open in the United States, Latin America, and the Far East. "Even in a slowing economy we continue to see tremendous growth because of our innovative ideas and unmatched quality," Carlos Budet, president and CEO of The Taco Maker, said in a prepared statement. The Taco Maker, Inc. is an international franchise system with more than 185 units open in the United States, Latin America, and the Far East. The Taco Maker restaurant is the largest Mexican quick-service restaurant in Puerto Rico. The Puerto Rican-owned restaurant chain moved its headquarters to Central Florida from Utah last year. Some of the locations may include Jake's Over the Top, which sells burgers, and Mayan Juice. All three fall under the Taco Maker umbrella.

Source: OrlandoSentinel.com

### **Starbucks Launches China Blend, Plans to Bring Yunnan Coffee to Its Stores Around the World**

Starbucks Corp. has launched a new brand of coffee grown by farmers in China and said it hopes to bring the blend to stores all over the world. The Seattle-based company, which has been closing stores in the U.S. to cut costs, said its new blend is made in China's southwestern province of Yunnan, bordering Vietnam, Laos and Myanmar. "Our intention is to work with the officials and the farmers in Yunnan province to bring Chinese coffee not (only) to China, but Chinese coffee to the world," Martin Coles, president of Starbucks Coffee International, told The Associated Press. "Ultimately I'd love to see our coffees from China feature on the shelves of every one of our stores in 49 countries around the world," he said. A launch date for foreign distribution hasn't been announced and will depend on how soon farmers can grow enough beans to ensure local and overseas supply. The company has been working for three years with farmers and officials in the province before the launch, and the coffee will initially combine arabica beans from Latin America and the Asia-Pacific with local Yunnan beans. But Coles said they hope to develop a source of superpremium arabica coffee from the province, expanding it to new brand offerings in China, and then internationally. The new blend will be called "South of the Clouds", the meaning of Yunnan in Chinese. Wang Jinlong, president of Starbucks for greater China, which includes Taiwan, Hong Kong and Macau, said the company wants to make its coffee from China as well-known and as high-quality as Chinese tea. Starbucks opened its first store in mainland China in 1999, and now has more than 350 stores in 26 cities. The company began shutting around 600 stores in the U.S. and 61 in Australia last year as part of its nearly yearlong campaign to reverse slowing sales and falling profits. Coles would not say how many stores they planned to open in China in 2009, but said the growth rate could accelerate in the coming years. The company opened 40 stores last year in China. "The reality is we have so much space for growth in China, we're barely scratching the surface even today of what we think the demand potential is for this market," he said. Starbucks cut its expectations for new international store openings last year, from about 700 net new stores during the 2009 fiscal year, down from an earlier estimate of about 900 net new stores. The company currently has 13,000 stores worldwide.

Source: The Associated Press Writer



**Burger King Corp. Names LatinWorks as U.S. Hispanic Advertising Agency of Record. Tapestry Selected as Media Planning Agency**

Burger King Corp. announced that it has named Austin-based LatinWorks as its Hispanic advertising agency of record for the U.S. Details of the campaign are currently in development with new creative expected in early 2009. "We were looking to identify an agency partner that understands the power of the BURGER KING® brand and, equally important, how to effectively communicate with diverse Hispanic audiences," said Cindy Syracuse, senior director, cultural marketing, Burger King Corp. "We're excited by the depth of knowledge we've seen from LatinWorks and look forward to working together to expand our brand's relationship with this extremely valued consumer segment." Tapestry, the Chicago-based multicultural division of Starcom MediaVest Group (SMG), has also been chosen to provide media planning and purchasing.

Source: Burger King Corp.

**Greenfield World Trade Has Recently Acquired The Zeroll Company**

Greenfield World Trade has recently acquired The Zeroll Company. The attached document provides you with insight into both of our organizations and explains the incredible synergies as the result of this acquisition. The Zeroll company was founded in 1935. The Funka family has owned this organization since 1953 and has created incredible products with a loyal customer base and an amazing legacy. They are credited with inventing the first modern ice cream scoop and their revolutionary design was patented in 1936. The dipper is made of cast aluminum with liquid inside the handle. This unique design uses the warmth of your hand to increase the temperature of the fluid inside the handle which in turn defrosts the ice cream as you scoop. Zeroll has since expanded the line to include the Universal EZ Disher, TubMate and Zelato spade. Our world class products are manufactured in Ft. Pierce, Florida. We will continue to produce the Zeroll products in Florida and in fact will be expanding our manufacturing base to provide new and exciting quality items under the Zeroll brand. With this acquisition, current Zeroll customers now have immediate access to our existing Greenfield World Trade and Asbury Foodservice product lines. Zeroll products will now have multiple inventory locations around the world and an expanded customer service support team. The Zeroll brand will gain additional visibility in the commercial foodservice market and reach new heights while participating in over 50 trade shows worldwide.

Source: Greenfield World Trade

**NPC International, Inc. Announces Agreement to Acquire 51 Units from Pizza Hut, Inc.**

NPC International, Inc. continues its trend of growth in the Pizza Hut system by announcing that it has entered into an Asset Sale Agreement (ASA) with Pizza Hut, Inc. and affiliates (PHI) pursuant to which NPC has agreed to purchase from PHI 51 Pizza Hut units for \$14.4 million in cash. The units being sold by PHI include 20 fee-owned locations. NPC will acquire one of these properties and lease 19 of them from PHI. This acquisition is expected to be funded from borrowings on the Company's \$75.0 million revolving credit facility. The units to be acquired pursuant to the ASA are located in and around St. Louis, Missouri

and are comprised of 27 delivery/carry-out units and 24 dine-in restaurants. According to information provided to NPC, 49 of the units to be acquired by NPC generated \$40.1 million in net product sales during the 52 weeks ended September 2008; the remaining 2 units to be acquired were recently constructed and not included in the net product sales total. NPC expects the closing to occur in February 2009 and it is subject to obtaining applicable government approvals and other customary approvals. In addition, the closing of the ASA is subject to NPC obtaining financing on terms that are acceptable to NPC while maintaining adequate liquidity as determined by NPC in its discretion. Jim Schwartz, Chairman and CEO of NPC International, Inc. said, "This transaction, combined with the prior two transactions conducted with PHI in recent months, is indicative of NPC's staunch belief in the Pizza Hut brand and our desire to increase our presence in this great brand. "This acquisition is an excellent fit as it is located in the heart of our Midwest/Southeast operations and, importantly, is expected to be credit accretive."

Source: NPC International, Inc.

### **Panel Announced for NSF's 2009 Food Safety Program**

NSF announced the expert panel of jurors for its 2009 Food Safety Leadership Awards Program, which will take place April 27-29 during its annual summit in Washington, D.C. NSF will announce the award winners during the event's opening reception. The panel includes: Mary Adolf, former president and COO, NRA Educational Foundation; John Farquharson, founder and president, International Food Safety Council; Ernest Julian, chief of the office of food protection, Rhode Island Department of Health; Ellen Laymon, staff supervisor, Oregon Department of Agriculture Food Safety Division; Vickie Lewandowski, president elect, International Association for Food Protection, associate principal microbiologist, Kraft Foods Global Inc.; Jim Mann, founder, Handwashing Leadership Forum; Donald Schaffner, extension specialist in food science and professor, Rutgers University; David Theno, CEO, Gray Dog Partners Inc., Foods Consulting Business; Ewen C.D. Todd, director, Food Safety Policy Center, Michigan State University; Frank Yiannas, vice president of food safety, Wal-Mart Stores Inc.

Source: Foodservice Equipment & Supplies/FES

### **AFEHC Members to Take Part in Hotelex, Shanghai 2009**

Eight Manufacturers of Equipment and Machinery for the Hotel and Catering business will be part of the collective participation of Spain's Exporting Manufacturers Association for the Hospitality Industry at Hotelex Shanghai 2009. The event, addressed to China's vast hotel, restaurant and catering industry will take place at the Shanghai New International Expo Center from 31 March - 3 April 2009, being the sixth participation in a row of the Spanish industry in targeting this focus market. The fast-growing pace of China's tourism industry, the country's rising consumption and expenditure levels, altogether with the forthcoming celebration of the 2010 Expo in Shanghai, offer unparalleled business opportunities for the Spanish industry, one of the world's most reputed for innovation, quality and design. So far, the Spanish pavilion will present the following exhibiting companies: ARCOS (Professional-Use Knives); FAGOR INDUSTRIAL (Professional Equipment: cookers, refrigerators, dishwashers, laundry); IBERITAL (espresso coffee machines, grinders and spare parts); LACOR (Professional Kitchenware); LINEA BLANCA (Professional Equipment: dishwashers & ice-cube makers); SAMMIC (Professional Dishwasher Conveyors, Beaters, Machinery for Food Preparation); ZUMEX (Automatic Juicers and Vending Machines), and ZUMMO (Automatic Juicers and Vending Machines).

Source: AFEHC, Spanish Exporting Manufacturers Association for the Hospitality Industry

### **Kona Grill Update Regarding Financing**

In connection with management's fiscal planning for 2009 and a review of its liquidity needs, Kona Grill, Inc. continues to pursue various sources of external financing to supplement its operating cash flows. Such

financing could include equipment financing, a working capital facility, a bank term loan, the issuance of convertible debt, a short-term ("bridge") loan, sale of equity, an equity rights offering, or any combination of the foregoing. To implement the foregoing, the Board of Directors has established a special committee comprised of independent directors to work closely with management and the Company's outside professional advisors to identify, review and oversee the structuring, negotiation and execution of all reasonable alternatives in the best interests of the company and its stockholders.

Source: Kona Grill Restaurants

### **El Pollo Loco® Expands Executive Team with New Innovation Post**

Incumbent Senior Vice President Joe Stein assumes new position; Gary Campanaro joins the nation's flame grilled leader as Chief Financial Officer. El Pollo Loco, Inc. announced that it has created a new executive management position, "Senior Vice President of Strategy and Innovation," to leverage innovation throughout the organization in the development of new products, processes and technology, as well as align resources around the Company's key initiatives. Rising to the challenge of the newly created position is Joe Stein, who has served as the Company's Chief Financial Officer for more than six years. As Senior Vice President of Strategy and Innovation, Stein will develop and implement an innovation stream across El Pollo Loco and formulate best practices in innovation management-- helping to ensure that El Pollo Loco continues to stay on top of consumer and industry trends to maintain its role as a leader in the fast-casual segment. El Pollo Loco has hired restaurant industry executive Gary Campanaro to fill the senior finance role as Chief Financial Officer. Campanaro, who most recently served as Chief Financial Officer and Secretary of Claim Jumper Restaurants Holdings Corp., will provide overall leadership for the financial, purchasing, quality assurance and risk management areas of El Pollo Loco. His experience also includes senior management positions at several other companies, including: The Keith Companies, Inc. in Irvine, CA; CB Richard Ellis in Los Angeles, CA; and CKE Restaurants, Inc. in Anaheim, CA. "Today's challenging business environment, magnified by intense competition in the restaurant industry, demands that we take a thoughtful look at everything we do," said Steve Carley, President and CEO of El Pollo Loco, Inc. "The changes we have made to our senior management team will help position our brand for continued momentum as the economy comes around. Joe (Stein) is ideally suited for his new innovation role. He is a superb strategic thinker with exceptional team building skills. And we are absolutely thrilled to have Gary (Campanaro) join us as our senior financial executive. His vast financial experience in the restaurant arena will be a valuable asset as we continue to grow the brand," continued Carley.

Source: El Pollo Loco, Inc.

### **Del Taco Promotes David Snyder to VP, Information Technology**

Del Taco announced that David Snyder has been promoted to vice president of information technology at the Mexican quick serve restaurant chain. As vice president of information technology, Snyder is responsible for innovating and implementing the information technology function with an emphasis on business performance. Snyder joined Del Taco as a consultant in 1999, and became Director of Information Technology in 2007. He has more than 30 years of technology experience including founding and running a PC software development company and providing technology consulting services to a variety of companies including PacifiCare, Nissan Motors, Union Bank, Executive Life Insurance and SC Gas Company. Snyder leads a department of 16 technology professionals who focus on applications development, technical services and restaurant systems deployment and support. He reports to Nick Shepherd, CEO of Sagittarius Brands, Del Taco's parent company. "David has a strong track record of making a real contribution to our overall business. He leads the IT team to boldly innovate technology enabling Del Taco to be more effective and efficient in taking care of our customers and growing profits," said Nick Shepherd. Recently, the Del Taco IT department completed a system-wide POS conversion and established relationships with Epicor Software and other technology providers to improve restaurant systems functionality and increase efficiencies.

Source: Del Taco

## **Red Robin Gourmet Burgers Announces Cash Tender Offer for Employee Stock Options, Updates 2009 New Restaurant Development & Marketing Plans**

Red Robin Gourmet Burgers, Inc. announced that it is commencing a cash tender offer for stock options held by approximately 550 current employees and officers, including approximately 218 restaurant general managers. Non-employee directors are not eligible to participate in the tender offer. The tender offer will expire, unless otherwise extended by the Company in its sole discretion, at 11:59 p.m. (Mountain Time) on February 11, 2009. In addition, the Company has determined that non-restaurant employees, including executives, will not be paid performance-based bonuses for fiscal 2008. The Company had previously anticipated paying \$1.2 million for such bonuses in 2008 compared to \$5.2 million paid for the full fiscal year 2007. The stock options eligible for tender ("Eligible Options") must have been granted prior to December 31, 2008 with an exercise price at or above \$32.00 per share. Pursuant to the terms of the tender offer, eligible employees that elect to participate must tender all of their Eligible Options. As of today, there are a total of 1,645,248 Eligible Options, including 729,147 fully vested options and 916,101 unvested options. If all Eligible Options are tendered and accepted in the offer, the aggregate cash purchase price for such options would be approximately \$3.7 million. The Company used the "Black-Scholes" option pricing model to determine the cash payment amounts for the Eligible Options and applied a discount based on the fact that participants will receive an immediate cash payment in exchange for the Eligible Options. On January 13, 2009, the closing price of the Company's common stock as reported by The NASDAQ Global Market® was \$13.91 per share. As a result of the tender offer, the Company will incur a one-time charge of up to \$4.5 million upon the closing of the offer if all unvested Eligible Options are tendered. This charge will be reflected in the fiscal first quarter of 2009 financial results and represents the compensation expense related to the acceleration of vesting on the unvested options tendered in the offer, which would otherwise be expensed over their vesting period in the future if not tendered. The Company has received approval from the requisite number of lenders under its senior credit facility to commence and consummate the tender offer. The tender offer is subject to a number of other terms and conditions as set forth in the offering documents. Neither the Company's management nor its Board of Directors makes any recommendation in connection with the tender offer. "Granting stock options and other equity incentives is a material component of our long-term compensation philosophy. After a comprehensive review of our current compensation program and the impact of the decline in our common stock price on our incentive awards, we determined that this offer is consistent with restoring the incentive value of our long-term awards. Future compensation expense associated with tendered unvested options will be reduced, as will the overhang associated with outstanding options that are no longer an effective incentive. Any options tendered that were granted under our Amended and Restated 2007 Performance Incentive Plan will also provide additional capacity for future incentive grants under that plan. Lastly, we expect that the majority of after-tax proceeds received by our senior executives will be used to purchase Red Robin common shares in the open market," said Dennis B. Mullen, chairman and chief executive officer.

Source: Red Robin Gourmet Burgers, Inc.

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



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