



July 12, 2010

NOTE: EFFECTIVE JULY 20, we are moving!! Here will be our new address and telephone numbers! Our e-mails and website remain unchanged. Please make note!

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Neal Asbury introduces a dramatic new book on international trade.

The Legacy Companies Chief Executive, free enterprise advocate, author and talk radio host Neal Asbury's "Conscientious Equity" has reached number two on Amazon's list of Hot New Releases. "Conscientious Equity: An American Entrepreneur's Solutions to the World's Greatest Problems" is a book written by nationally recognized entrepreneur Neal Asbury, outlining a plan of action to revitalize business in the US and abroad. In "Conscientious Equity", Asbury argues that moving away from intransigent political ideologies and toward a world driven by international commerce allows us to address and in fact solve economic instability, the destruction of the environment, crushing poverty, and crippling corruption. Although "Conscientious Equity" is Asbury's first book, he has published over 100 articles on global trade issues, and been quoted in The New York Times, Wall Street Journal, and LeMonde, in addition to appearing on network television and syndicated radio.

Source: www.conciantousequity.com

Golden Gate Capital Affiliate Completes Purchase of On The Border Chain

An affiliate of San Francisco-based Golden Gate Capital has completed its acquisition of On the Border Mexican Grill & Cantina from Brinker International Inc. Financial details were not announced. But Brinker said the sale to OTB Acquisition LLC would bring in "proceeds of \$180 million," a figure that will be "adjusted for deal costs and customary closing fees." Golden Gate also said Stephen Clark, formerly chief executive at Taco Bueno, will be the new chief executive. Christopher Morris, who resigned last week from the Irving-based parent of Chuck E. Cheese's restaurants, will be the new chief financial officer. Clark said the headquarters will remain in Dallas – in 20,000 square feet of space rented from Brinker. About 50

corporate jobs will be filled locally as "we build our office from scratch," he said. "I feel that we're starting from a pretty good point," Clark said. "We're really excited about the brand."

Source: The Dallas Morning News

Restaurant Index Falls in May, Outlook Still Positive

The National Restaurant Association's Restaurant Performance Index (R.P.I.) fell below 100 in May for the first time in three months, on the heels of strong index growth earlier this year and amid sharply increasing wholesale food prices. "Although the sales and customer traffic indicators softened in May, capital expenditure activity rose to its highest level in nearly two years," said Hudson Riehle, senior vice president, research and knowledge. "This, along with a continued positive outlook for sales and the overall economy, signals restaurant operators remain optimistic that business conditions will improve in the months ahead." The R.P.I. consists of two components, the Current Situation Index and the Expectations Index. The Current Situation Index, which measures current trends, dipped 0.3% from April. The Expectations Index, which measures restaurant operators' six-month outlook, stood at 100.8 in May – down 1.0% from 101.8 in April. Despite the decline, the Expectations Index remained above 100 for the fifth consecutive month, which represents expansion in forward-looking indicators. The R.P.I. is a monthly composite index that tracks the health of and outlook for the U.S. restaurant industry. It is constructed so the health of the restaurant industry is measured in relation to a steady-state level of 100. Index values above 100 indicate that key industry indicators are in an expansion period. Index values below 100 represent a contraction period for key industry indicators. The R.P.I. stood at 99.7 in May, down 0.7% from 100.4 in April. In May, restaurant operators reported a net decline in same-store sales for the second straight month, as well as softer customer traffic. However, there was an uptick in capital spending. Forty-five percent of operators said they made a capital expenditure for equipment, expansion or remodeling during the past three months, up from 40% last month and the highest level in nearly two years. In addition, 46% of restaurant operators report they plan to make a capital expenditure for equipment, expansion or remodeling in the next six months.

Source: FoodBusinessNews.net/The National Restaurant Association

Wendy's/Arby's to Re-Enter Japan

Wendy's/Arby's Group Inc. is ramping up international expansion plans with a proposed re-entry into the Japanese market, the company said. The proposed restaurants are to be co-branded Wendy's/Arby's locations and feature menus offering signature dishes from both brands, the company said. Wendy's/Arby's International, a division of Atlanta-based Wendy's/Arby's Group Inc., which operates and franchises the Wendy's and Arby's quick-serve chains, expects to partner with an international franchisee to re-establish its presence in Japan, where the company operated 70 Wendy's restaurants for 30 years before exiting the market last year. "Japan is an important market for us and we see significant long-term opportunities for growth there as well as throughout the Asia/Pacific region," said Bob Bertini, a spokesman for Atlanta-based Wendy's/Arby's Group. "We have been formulating a re-entry strategy and we now are actively looking for operating partners in Japan. "Neither brand currently has a presence in the country," he added. "Our goal is to re-enter the market as soon as possible, but we have not announced a specific timetable." Wendy's/Arby's has pursued international expansion more aggressively in recent months. It opened its first co-branded Wendy's/Arby's restaurant in Dubai in May and inked a deal in June to develop 100 Arby's restaurants in Turkey over the next 10 years.

Source: NRN

Restaurant Operator Bravo Brio Announces Plan for \$172.5M IPO

Bravo Brio Restaurant Group Inc. announced plans to sell up to an estimated \$172.5 million of stock in an initial public offering, raising funds for debt repayment. While some renewed market volatility in the past several months has made it tougher for some companies to complete the process, IPO filings have remained solid as companies and owners continue to see an opportunity to raise capital or cash in some of their

investment. Ohio-based Bravo Brio, which operates Italian restaurants under brands Bravo and Brio has been expanding in the past five years, adding 34 restaurants to put its store count at 83 as of March 28. In that time, revenue has grown at a compounded annual rate of 12% despite the several years of weakness seen in the restaurant industry. But the company has been unprofitable, though the red ink narrowed notably last year. It had a first-quarter profit of \$2.5 million on revenue of \$81.8 million, compared with a prior-year loss of \$1.3 million on revenue of \$73.6 million. The company didn't provide same-store-sales data in its filing Friday with the Securities and Exchange Commission.

Source: DOW JONES NEWSWIRES

Firehouse Subs Invests in Brand-A-Palooza

At 382 locations, Jacksonville, Fla.-based Firehouse Subs is anything but little. But the chain has had to work hard to push itself past an upward climb brought on by several quarters of same-store sales declines and shrinking average unit volumes. At the company's June 27-28 franchise conference – dubbed the Firehouse Subs Family Reunion – founders and brothers Chris and Robin Sorensen, along with company executives, revealed to franchisees that the uphill climb, at least for now, has leveled. And instead of overcoming obstacles, the company is now in a position to build upon the progress it has made through the first half of the year. During the first six months of 2009, AUVs had dropped to \$11,003, down from \$11,844 in 2008. Through the company's period 5, AUVs have reached \$12,748 and, as of June 27, "smashed" through the \$13,000 mark, said director of operations Meg Rose. While the company reported \$209 million in sales in 2009, it is projecting \$233 million in sales this year. So far, the company has every indication that number will be met. For the year, AUVs have reached the systemwide mark of \$600,000, beating Firehouse Subs' goal of \$590,000 AUVs by the end of the year. The company also has seen a same-store sales increase of 6.34 percent for its period five, compared to a decrease of 4.61 percent reported in year-end 2008 and a decline of 3.3 percent reported at the end of FY 2009. Rose and the Firehouse team have worked hard over the last year to also reduce food and labor costs, going from a food cost of 35.8 percent in 2008 and 34 percent in 2009 to an all-time low of 32.3 percent for the first four weeks of period six. Labor also has been reduced to 22.8 percent, down from 24.9 percent in 2008 and 23.8 percent in 2009. "As of today, we have put more money on the net income line in the first six periods of 2010 than during the entire year of 2008," she said. The effort, she said, is to reach the company goal of having 10 percent cash flow. For franchisees at the event, the strong overall belief is that the chain will deliver on its promises, as it has done in the past. And while Firehouse Subs likely will have more hills to climb, the company seems to have so far gotten itself over this stretch of the road.

Source: FastCasual.com



Cosi, Inc. Names New Executive Chef

Cosi, Inc., announced that it has named Kimberly Letizia as its director of Culinary Innovation and Menu Strategy. "We're thrilled to have someone with Kimberly's unique experience and talent to lead Cosi's effort to be innovative with freshly prepared, unique menu items for our breakfast, lunch, and dinner day parts," says James Hyatt, Cosi's president and CEO. "Cosi's innovative menu has been recognized by Parents Magazine, Men's Health Magazine and others and we believe Kimberly will contribute strongly to building on those achievements." Letizia most recently served as a Corporate Chef Consultant to Kraft Foods where

she supported numerous national restaurant chains with menu development and consumer intelligence. Letizia, who earned her MBA in Hospitality and Tourism Marketing and BA in Culinary Arts from Johnson & Wales University, has also worked for Charlie Trotter's in Chicago and served as a Research Chef at Chef Services Group in Rhode Island. "I am excited and look forward to supporting this already successful brand with new and innovative product offerings," Letizia says.

Source: QSRMagazine.com

Uno Chicago Grill Gets Bankruptcy Plan Approval

The parent of the Uno Chicago Grill pizza chain has won court approval for its bankruptcy reorganization plan, less than six months after it sought protection from creditors. Judge Martin Glenn approved the Chapter 11 plan for Uno Restaurant Holdings Corp. at a hearing on Tuesday in the U.S. bankruptcy court in Manhattan. Joseph Smolinsky, a partner at Weil Gotshal & Manges LLP who represents Uno, said the Boston-based company plans to emerge from bankruptcy this month. Holders of \$142 million of senior secured debt would obtain all the stock in a reorganized company, and unsecured creditors could recover about 13 cents on the dollar, he said. Total debt would fall to about \$40 million from more than \$170 million. Uno filed for protection from creditors on January 20, saying a weakened economy depressed sales as consumers ate out less, even as the cost of energy and ingredients such as cheese and wheat increased. Founded in 1943 as Pizzeria Uno at the corner of East Ohio Street and North Wabash Avenue in Chicago, the company is one of the best-known purveyors of the deep-dish pizza that became synonymous with that city. Uno said it recently owned or franchised 168 restaurants in 26 U.S. states, Washington D.C. and five other countries. The 77 Uno Chicago Grills operated by franchisees were not part of the bankruptcy, court records show. Private equity firm Centre Partners had taken a controlling stake in Uno in 2005.

Source: Reuters/Crain's ChicagoBusiness

Will Your Next Lobster Come From a Farm? Darden Restaurants Hopes So! Darden Tries Lobster Farming

The Orlando-based owner of Red Lobster is trying to do something no one has ever done on a large commercial scale: Lobster farming. It won't be easy and will take years to figure out. Lobsters are tough to raise in captivity. They take a long time to grow, eat a lot and are susceptible to a contagious, fatal disease. But if Darden Restaurants can make its project work, it could revolutionize the way lobsters get to our dinner plates. Growing lobsters could make them a cheaper commodity, experts say, much like aquaculture did for shrimp and salmon. But it could also create hardship for lobster fishermen around the world.

Source: The Orlando Sentinel

Denny's to Begin Converting Flying J Travel Center Restaurants. Potential to Convert Up to 140 Sites

Denny's Corporation announced that it will begin converting the restaurant operations of up to 140 Flying J Travel Centers ("Flying J") to Denny's units starting in July 2010. As previously announced in March 2010, Denny's has been selected as the full-service restaurant operator of choice for Pilot Travel Centers LLC ("Pilot"). On June 30, 2010 the Federal Trade Commission approved the merger of Pilot and Flying J enabling the agreement with Denny's to proceed. Now named Pilot Flying J, the company is North America's largest retail operator of travel centers. Denny's expects to have 80 sites converted by year end 2010, including 10 sites which will operate as company restaurants. The balance of the conversion opportunities are expected to open as Denny's in 2011. On an annualized basis the full potential of conversions are expected to add an estimated 7% to 8% to Denny's system-wide sales. Denny's franchisees will convert and operate most of the Flying J locations with the Company planning to convert and operate approximately fifteen of the restaurants. The capital outlay is expected to be approximately \$565,000 per

conversion. Existing employees will generally remain in place. Denny's has also arranged a program through Pinnacle Commercial Capital to provide access to \$40 million in credit facilities for Denny's franchisees. Denny's will provide further detail on the conversions and provide updated full-year financial guidance on its second quarter 2010 Earnings Call, scheduled for August 3, 2010.

Source: Denny's Corporation

CKE Restaurants, Inc. Announces Stockholder Approval of Merger Agreement with Affiliates of Apollo Management

CKE Restaurants, Inc. announced that its stockholders approved the proposal to adopt the merger agreement providing for its acquisition by entities created by certain affiliates of Apollo Management VII, L.P. The affirmative vote of the holders of a majority of the outstanding shares of common stock of CKE was required to approve the proposal to adopt the merger agreement. According to the final tally of shares voted, approximately 76% of the outstanding shares of common stock of CKE as of the close of business on May 10, 2010, the record date, were voted to approve the proposal to adopt the merger agreement. Of the shares that were voted at the meeting, approximately 99% were voted to approve the proposal to adopt the merger agreement. All approvals, consents or consultations required to consummate the merger under U.S. antitrust laws have been obtained or made, and accordingly, the related condition to the consummation of the merger set forth in the merger agreement has been fully satisfied. The consummation of the merger remains subject to the satisfaction or waiver of certain other closing conditions set forth in the merger agreement and discussed in detail in the Definitive Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission by CKE on June 3, 2010.

Source: CKE Restaurants, Inc.



Starbucks Expanding Recycling Program with Coffee Cups in Chicago

Starbucks Corp. is finding new ways to use the 3 billion paper cups its customers use each year, even in cities where recycling is not popular or mandated. This fall, the Seattle-based company will send cups used at its Chicago stores to Green Bay, Wis., where a Georgia-Pacific paper mill will turn them into Starbucks napkins. The effort is a major push by the coffeehouse chain to create a commercial market for its used cups, which include 1 billion plastic cups for cold drinks. Over the last few weeks, it has put recycle and compost bins into 90 Seattle stores to comply with a new city ordinance. Every grocery store, restaurant and coffee shop in Seattle will be required to recycle and compost and to provide recyclable or compostable to-go packaging for everything from ground beef to lattes. The new ordinance will prevent 6,000 tons of food and serviceware from piling onto garbage heaps. Starbucks' cups also are recycled or composted in San Francisco and Ontario, Canada, because of laws there. In areas without such mandates, commercial demand determines which products are recycled. "The biggest roadblock to recycling is the lack of demand" for old paper, said Jim Hanna, Starbucks' director of environmental impact and global responsibility. "We need to create demand for recyclers for our products." The effort is similar to what the Coca-Cola Co. has done in South Carolina, where it invested \$60 million in a plant that makes soda pop bottles from old soda bottles and other recycled plastic. Their goal is not just to have recycling bins in

stores by 2015 but to find markets so all those paper cups actually get recycled," said Conrad MacKerron, director of corporate social responsibility at the nonprofit.

Source: The Chicago Tribune

Titan Buys Cincy, Indy Donatos Restaurants

Donatos Pizza announced Tuesday it will sell the majority share of its Cincinnati and Indianapolis restaurants to Titan Restaurant Group LLC. More than 40 Donatos restaurants in Cincinnati and Indianapolis will change from company-owned to franchise-owned and 10 combined new restaurants will be added in those areas. Titan heads Jack Whiting and Mike Simon have experience as executives and franchise operators for various brands, including Pizza Hut, Tim Horton's and Wendy's. Simon will run the day-to-day restaurant operations, according to a news release. The franchisee has more than 68 years of combined experience in the restaurant industry and Donatos President and COO Jane Grote Abell said Titan is an ideal partnership. Abell said franchising is part of the company's growth plan to expand in Cincinnati and Indianapolis.

Source: Business Courier of Cincinnati

Big Boy Will Test @burger Fast-Casual Prototype

Big Boy, the iconic American burger concept that looks retro but really just dates to 1936, is recognizing that tastes, times and business models have changed. In mid-July, Big Boy will open @burger, an upscale fast-casual burger concept with beer and wine in Ann Arbor, Mich., with intentions of opening more. That doesn't mean the full-service Big Boy restaurant is doomed. In fact, the latest updated look for the mothership will be unveiled this fall, says Keith Sirois, CEO for Warren, Mich.-based Big Boy Restaurants International LLC (separate from both Burbank, Calif.-based Bob's Big Boy and Cincinnati-based Frisch's Big Boy.) That new look will owe nothing to fast casual in general or @burger in particular. "There's still a strong market for mothers with kids or seniors who want a place to sit and be served. Big Boy provides that," Sirois says. He added that the impetus for the company to consider something like @burger, which was first reported on AnnArbor.com, was because "5,000- to 8,000-square-foot restaurants [like traditional Big Boys] just aren't practical any more." There's also "whitespace" in the fast-casual burger market that @burger can fill, he says. "There are a lot of fast-casual hamburger restaurants coming up, but many of them are throwbacks to '50s diners in style. We'll be nicer." Sirois says @burger will differ from those concepts and differ from Big Boy. Nothing in the new restaurant will signal its connection to Big Boy. It will be a "high-quality, comfortable environment where adults can eat and socialize." Sirois joined Big Boy as CEO in January 2009 after retiring as CEO of quick-service drive-thru chain Checkers/Rally's. "I know something about burgers; they're important to me," he says. "We looked at all the fast-casual concepts that are doing well, from Panera Bread to Pei Wei [Asian Diner] and I guess you can say @burger will be a bit of a mashup of all those." The Ann Arbor location was chosen because of its proximity to the Warren headquarters ("So we can watch and touch and adjust.") and the town's upscale demographics, Sirois says. Additionally, the downtown storefront location is close to the University of Michigan's 40,000-student campus.

Source: BurgerBusiness

Jack in the Box Inc. Completes Refinancing of Existing Bank Debt

Jack in the Box Inc. announced completion of a new five-year \$600 million senior credit facility, comprised of a \$400 million revolving credit facility and \$200 million term loan. Proceeds from the refinancing will be used to retire all previously existing bank indebtedness, including a \$150 million revolver due in December 2011, of which \$20 million was drawn as of the end of the company's second quarter, and a \$370 million term loan due in December 2012. As of the closing, approximately half of the

\$400 million revolving credit facility will be drawn and \$200 million will be outstanding on the term loan. Both will mature in June 2015, with the term loan having required principal payments of \$10 million in the first year after closing, \$20 million in the second and third years, \$30 million in the fourth year and the balance due in the fifth year. The interest rate on the new senior credit facility is based on the company's leverage ratio and can range from LIBOR plus 2.25 percent to 2.75 percent with no floor. The initial interest rate is LIBOR plus 2.50 percent. "By refinancing at this time, we're creating a longer-term capital structure with greater flexibility to support the company's strategic plan," said Jerry Rebel, executive vice president and chief financial officer for Jack in the Box Inc. Due to replacing existing credit facilities prior to expiration, the company will be required to expense approximately \$2,256,226 of deferred financing fees in the third quarter. Wells Fargo Securities, LLC, Banc of America Securities LLC and Morgan Stanley Senior Funding, Inc. served as joint lead arrangers and joint book managers.

Source: Jack in the Box Inc.



Real Mex Restaurants Announces Successful Completion of Consent Solicitation Relating to Its 14% Senior Secured Notes Due 2013, Amendment of Indenture and Related Transaction

Real Mex Restaurants, Inc., a Delaware corporation, announced that it has received the requisite consents from holders of its 14% Senior Secured Notes due 2013 to amend the indenture governing the Notes. The consent solicitation expired at 12:00 p.m., New York City time, on June 24, 2010. Real Mex has been advised by Wells Fargo Bank, National Association, the information and tabulation agent for the consent solicitation, that, as of the Expiration Time, consents were validly delivered (and not validly revoked) in respect of \$95,377,000 in aggregate principal amount of the Notes, which constituted a majority in aggregate principal amount of Notes owned by non-affiliated holders. As a result, Real Mex, the Guarantors (as defined in the Indenture) and Wells Fargo Bank, National Association, as trustee under the Indenture, have entered into a supplemental indenture, which amended the Indenture to permit affiliates of Sun Capital Partners, Inc. (two of which are existing equityholders of Real Mex's parent, RM Restaurant Holding Corp. ("Holdco")) to acquire a majority of the stock of Holdco without requiring Real Mex to make a change of control offer to repurchase the Notes that would otherwise have been required under the Indenture, and to add an additional covenant, pursuant to which Real Mex has agreed that, in any optional redemption of Notes that is effected between July 1, 2011 and June 30, 2012, Real Mex will pay to each holder of redeemed Notes an additional premium equal to 2% of the aggregate principal amount of the Notes so redeemed. The Supplemental Indenture is binding on all holders of the Notes, including non-consenting holders.

Source: Real Mex Restaurants, Inc.

Restaurant Chains Target Manhattan

Panera Bread is scouting locations across Manhattan. The Toronto-based Freshii's chain will break ground on its first of 20 anticipated New York locations next week. And Vapiano, a German-based pasta chain will open near Union Square next month. Across Manhattan, fast-food and casual-dining chains based outside of New York are taking advantage of more available restaurant spaces and an economy where consumers

favor affordable food to break into one of the most competitive food markets in the world. "Current real-estate conditions are paving the way for Panera's entrance," said Bill Moreton, president and chief executive of Panera Bread. The chain is looking at mixed-use areas in the Upper East Side, Upper West Side and lower Manhattan, hoping to open multiple locations within 18 to 24 months. Other chains are moving more quickly. Freshii, a chain specializing in healthy food, will open its first location at Broadway and 38th Street at the end of the summer, said Andrew Moger, president of Branded Concept Development, which is handling the real estate, design and construction of the New York locations. "Obviously it is an excellent time to be developing in the New York City market," said Mr. Moger. He estimated that rents are as much as 30% less than before the economic downturn. Menchie's, a self-serve frozen-yogurt chain, expects to open its first New York location on the Upper West Side by the end of the summer. The California-based Counter burger chain will open in October in Times Square, and Elevation Burger, a Virginia-based chain, is slated to open its doors near Union Square in early fall. "Right now we're in the process of looking all over Manhattan to find attractive options," said Amit Kleinberger, CEO of the California-based Menchie's. Mr. Kleinberger said they intend to open another location on the Upper West Side by the end of the year, and four to eight more units next year. "Rents are much better than they used to be," said Mr. Kleinberger. "We've seen reductions of 30% to 40% compared to two or three years ago." To be sure, as the market stabilizes, rents in some parts of Manhattan are rebounding and remain at or near pre-recession levels. Dennis Lombardi, executive vice president for WD Partners, an Ohio restaurant design and development firm, pointed to other factors for a renewed interest in chains opening restaurants in New York City. "We're starting to see an easing of the credit crunch," said Mr. Lombardi. "We're also seeing consumers stabilize their spending patterns and an increased availability of vacant restaurant spaces from those who did not survive the recession, which makes it more economical to put a new restaurant in because a lot of the infrastructure is in place." Foreign chains are making a mark, as well. Lizarran, a Spanish tapas chain with branches around the world, opened a location in Soho a few months ago. And La Mar Cebichería, a high-end chain from Lima, Peru, is in negotiations to open a 8,000-square-foot restaurant at 27th Street and Madison.

Source: The Wall Street Journal

Can O'Charley's Find a Recipe for Success? Company Once Again Looking for New CEO

O'Charley's, the Nashville-based restaurant chain battling dozens of competitors for casual diners' dollars, has gone through two CEOs, a host of menu changes and a couple of rounds of corporate cost cutting in a bid to stay relevant and profitable. So far, it has been an uphill battle for the chain that has nine Louisville-area locations. Many customers say the chain has lost ground in the past three years in all the areas that determine where people like to dine out: food quality, value for the dollar, perceived reputation and service. Throw in that little matter of declining sales during the U.S. recession and you can begin to understand why no one has managed to stay in the corner office long enough to keep the CEO's chair very warm. The latest top executive to depart was Jeff Warne, who left as CEO a month ago. "When the team is losing, the coach gets fired," said Bryan Elliott, a restaurant stock analyst with Raymond James and Associates. While the so-called Great Recession has had something to do with O'Charley's money-losing trend (including a \$4.3 million loss in the first quarter this year), some of the chain's woes seem self-inflicted. The task of improving food and boosting sales now falls to O'Charley's Chairman Philip J. Hickey Jr., a 55-year-old executive with vast experience in national chain restaurants who has taken over as interim CEO pending a search for a permanent boss. Hickey, whose restaurant industry career started 41 years ago when he washed dishes at a Big Boy restaurant in Detroit at age 14, says O'Charley's still has great potential. "It's not easy; it's not going to be quick, but it absolutely has lots of upside," Hickey insisted, vowing to spruce up the menu and operations. A lot of restaurants in the fast-growing casual niche, including O'Charley's, may have shifted their focus too much to trimming costs at the expense of upgrading the food when the economy sagged, he said. "Our strategy is to get people to come back in greater numbers, serve them great food ... recapture their loyalty, and at some point over time we can drift the prices up ever so slowly," Hickey said. Analysts expect Hickey to retain a key role in the strategic direction of O'Charley's even after the next CEO is selected. In search of a new CEO. Bob Derrington, an analyst with Morgan Keegan & Co. in Nashville, said the next O'Charley's CEO needs three key attributes: an entrepreneurial spirit, the know-how to serve customers well and the financial acumen to manage the business. A new CEO will also have to be willing

to work under Hickey's tutelage as the company evolves. "He's one of the few leaders in the industry that has almost absolute respect," Derrington said of Hickey, who was among the founders of The Cooker, a beloved restaurant here, and started Green Hills Grille. Nationally, he built an iconic reputation as head of Rare Hospitality International Inc., a chain that owned LongHorn Steakhouse and which was sold to Darden Restaurants for \$1.4 billion three years ago. But even with Hickey involved, success isn't guaranteed. "Unfortunately, they're trying to go through this revision of their strategy at a time when the restaurant industry is probably the most competitive I've seen in 20 years," Derrington said. "Consumers have more choices and fewer dollars to spend."

Source: THE TENNESSEANcourier-journal.com

Celebrity Chef Bobby Flay Wants to Join D.C.'s Burger Mania

The man who's always ready for a 'throwdown' is now ready to throw down his burger concept in D.C. Celebrity chef Bobby Flay is shopping his Bobby's Burger Place concept around the District, according to a broker representing the Food Network star and Mesa Grill chef. Flay is working with Tom Papadopoulos of Papadopoulos Properties and Michael Morris of Cana Development for at least a couple of locations. Flay has his eye on sites in the 3,500-square-foot range in the higher-end neighborhoods of D.C. He is close to signing a deal, though he would not disclose where, according to Papadopoulos. Bobby's Burger Palace has five sites in the U.S., with locations in New Jersey, New York, Connecticut and Philadelphia. The chain distinguishes itself from the other burger joints out there by offering 10 signature burgers, along with sides, grilled cheese sandwiches, milkshakes and malteds. Burgers can be prepared with turkey or chicken as well. Flay is a Brooklyn-based chef who made a name for himself from his restaurants and his appearances on Food Network, where he has hosted seven shows, including "Throwdown With Bobby Flay" and "Boy Meets Grill."

Source: Washington Business Journal



London Restaurants Warm to BYO Wine Club. Bring your own wine to restaurants?

Iain Hollingshead joins a new wine club that enables him to take his own bottles of wine to top restaurants. The negative associations that most of us have with the "bring-your-own" curry houses of our student days may be about to change. Last week saw the launch of BYO Wine Club, which has persuaded dozens of leading London restaurants to allow members to bring in their own bottles. Participating establishments include The Ledbury, Tom Aikens, Club Gascon, Oranger, Boisdale, Le Café Anglais and Aubergine. You pay an annual membership fee of £75 (rising to £100 in the autumn), reserve a table, hand over your bottle on arrival and enjoy your meal, knowing you've saved corkage charges, restaurant mark-ups and the patronizing smirk of the sommelier as you nervously consult an unfamiliar wine list. Chris and Khadine Rose had the idea for BYO Wine Club back in November 2008 when Chris, a lawyer, hosted a retirement dinner for some of his mentors, all of whom had qualified in 1976. He wanted to base the menu around bottles of Chateau Talbot 1976 but had difficulty persuading good restaurants to allow them to bring their own. The couple sensed a business opportunity, offering other wine buffs a membership scheme that would remove the hassle of negotiating with restaurants. But what about those of us who know little about wine – apart from enjoying it at a reasonable price? Would the club work for us? And how much can you get away with? I brought my own to Aubergine in Chelsea to find out. My BYO Wine Club membership card arrived

accompanied by a chirpy list of dos and don'ts. Do not bring beer, cider, alcopops or spirits. Check if you want to bring a bottle larger than a magnum. Discard carrier bags or packaging before entering the restaurant. Clearly, it can be an etiquette minefield – an awkwardness not made any easier on arrival when you have to present your bottle discreetly to the sommelier ("so as not to make other patrons jealous of your rock-star BYO status"). Having handed over my cheeky Spanish screw-top, retailing at £4.69, I feel a pang of guilt and apologise profusely. Aubergine, which used to be run by Gordon Ramsay, had a Michelin star until recently. Its wine list ranges from £20 to £2,000. But Frederic Renou, the charming assistant manager straight out of central casting, is having none of it. "We are here to serve you," he says, escorting me behind a pillar and away from the green eyes of the other diners. "Consider offering the sommelier a taste of your wine," advises the BYO Wine Club. "It's just a nice thing to do." So I do, and Istvan Seres, the head waiter, generously declares that it has a "nice summery hint". The wine goes surprisingly well with my delicious starter of Marble Foie Gras Terrine, Cherries and Brioche, and afterwards, I can simply screw the top back on the bottle and save the rest for next time. There's certainly something enjoyable about mixing your own wine and the restaurant's food – it feels more as if you're a guest than a paying client. The only problem is that, even though the drink has been paid for, you're likely to end up spending just as much on the night: it's amazing how many puddings you can squeeze in for the restaurant price of a decent bottle of wine.

Source: Telegraph.co.uk

Trufoods' Revamped Brands Ready for Growth

Instead of plowing forward, sometimes it's necessary to take a step back, halt growth and re-evaluate a restaurant brand's internal systems. Andy Unanue took just that approach when he purchased the four, small quick-service brands that now make up Trufoods. Beginning in 2007, the franchising company acquired Pudgie's Famous Chicken and Wall Street Deli as well as the franchising rights to Arthur Treacher's Fish And Chips (Nathan's Famous retains the intellectual property rights). The following year, Unanue brought in Ritter's Frozen Custard. Following those purchases, he recruited the company's management team, including Gary Occhiogrosso, chief development officer for Trufoods. Having grown up with several of the brands, Occhiogrosso was glad for the opportunity to help the QSRs reach their full potential. "I saw it as an opportunity to take something that people know of and love — and good food — and really reimagine it and rebrand it and re-launch it to franchise community," he said. "It was an opportunity to get involved and put these brands back on the map." Each of the brands had its own history, most having grown only to retrench. Still, each was recognizable and had awareness in its key markets — and Unanue saw that with the right operations system and a strong business plan, the brands could grow. To improve the franchise model, Trufoods worked with its suppliers to get high-volume pricing and decrease its cost of goods sold. The company also improved its support and training for franchisees as well as developed a standard equipment package and a value-engineered buildout to reduce startup costs. Trufoods also launched a co-branding program, pairing Pudgie's Famous Chicken with the seafood brand Arthur Treacher's, and Wall Street Deli with Ritter's Frozen custard. The company is sweetening the co-branding program by offering a reduced fee for the second brand. The company's goal is to triple the size of each brand over the next three years, primarily through franchising. "Now that we've got the operating systems in place, we feel that's a realistic number at this point," Occhiogrosso said.

Source: QSRweb.com

Four Seasons Founder Sharp to Step Down as CEO

Isadore Sharp, credited with creating luxury branded hotels through his iconic Four Seasons Hotels Ltd., announced he was stepping down as chief executive of the chain he founded 50 years ago. Mr. Sharp, 78, is handing over the reins to Kathleen Taylor, 52, who has served as president and chief operating officer of the company since 2007.

Ms. Taylor says she was picked by Mr. Sharp to be in line for the chief executive job when she became co-president of the company 10 years ago. While the announced succession wasn't a surprise to the industry, it

marks an important milestone for Four Seasons as it tries to recover from a brutal industry downturn. "Issy was an icon inside and outside the company," Ms. Taylor said in an interview. "I'm not going to be able to ever replace him. My job is to stay on a trajectory of success and stay current and stay true to our values that are a big part of what he taught." Mr. Sharp opened the first Four Seasons hotel in 1961 as a motor inn in a rundown section of Toronto. Out of that he developed 82 hotels under a brand known for impeccable service at the top end of the market. An additional 40 hotels are under development. As has become common in the industry, the company does not own its hotels but rather designs and manages them for third parties. "Everybody in my position and similar positions looked at Issy as the dean," said Simon Cooper the president and chief operating officer of Ritz Carlton, a Four Seasons competitor that has fewer hotels but more rooms. "He has exquisite tastes and you can see that in everything Four Seasons does." Mr. Turner said that Ritz and Four Seasons together control around 25% of luxury hotel rooms. He credited Mr. Sharp with being the first in the luxury industry to design each hotel under the brand in a unique style, rather than build to a certain prototype. The issue of succession has long been a concern for Mr. Sharp, Ms. Taylor said, because he has remained so closely associated with the company, particularly among its employees. Ms. Taylor joined the company 21 years ago as its corporate council and took over as president of business operations in 1999. She said that three years ago she became the only employee who reports to Mr. Sharp, while everyone else reports to her. At that time, she said, she set about mastering the hotel operations side of the business that she had been less familiar with in preparation for her eventual reign as chief executive.

Source: wsj.com/Ehotelier.com

Culinary School of the Rockies Acquired By Triumph Higher Education Group. Triumph to Develop Auguste Escoffier School of Culinary Arts, Keep Local Focus

Aspiring chefs throughout the United States will find world-class classical culinary training at their own Culinary School of the Rockies (CSR) with the recent acquisition of the school by Triumph Higher Education Group (Triumph HEG), a seasoned Chicago-based management group dedicated to developing global post-secondary educational institutions. Building on the success of CSR and pending necessary regulatory approvals, Triumph HEG plans to transition the school to the Auguste Escoffier School of Culinary Arts. A professional school for culinary and baking, it will offer a rigorous, accelerated program focused exclusively on classical culinary training and proficiency in the skills and techniques sought by employers. The school will combine CSR's outstanding programs and its emphasis on local sustainable cuisine with interactive delivery, distinguished instructors, and affordable tuition. "CSR is representative of the small, innovative, high quality culinary schools that will define the Auguste Escoffier Schools of Culinary Arts," said Paul Ryan, president of Triumph HEG. "The next generation of culinary education will emphasize sustainable cuisine, and CSR's unique farm-to-table program is a model we will implement in each Escoffier school." Triumph HEG plans to launch the Auguste Escoffier Schools of Culinary Arts in the United States and internationally through affiliations with the Escoffier Foundation and Museum, and with Michel Escoffier, its president and great grandson of Auguste Escoffier, the icon of modern French cuisine. "Triumph's affiliations with the museum and Michel Escoffier will enhance our current offerings and open up exciting opportunities for students," said Joan Brett, CSR's founder. "I believe that Triumph HEG will be an excellent steward of CSR and all we have created and built over the past 19 years." Brett will remain at CSR as a consultant. CSR's Culinary Arts, Chef Track, Pastry Arts, Pastry Track and Home Cook Classes and workshops will all remain in place. The school will continue to demonstrate its support for local agriculture by buying from local artisans, farmers and producers. "We are committed to becoming an active member of the Boulder community," said Jack Larson, executive chairman of Triumph HEG, "and look forward to serving students and employers, as well as community organizations, while supporting the local economy."

Source: Triumph Higher Education Group

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