



March 22, 2010

President Signs HIRE Act; New Law Provides Hiring Incentives, Expensing Extension and More

An \$18 billion job creation package, the Hiring Incentives to Retire Employment (HIRE) Act (H.R. 2847), is now law. President Obama signed this first major tax bill of 2010 on March 18, 2010. The Senate had approved the HIRE Act on March 17 in a bi-partisan 68-29 vote, following House passage on March 4 by a 217 to 201 margin. The new law provides new incentives for hiring and retaining workers, along with a one-year extension of enhanced Code Sec. 179 expensing and changes to Build America Bonds. The HIRE Act is partially offset by a package of new foreign account tax compliance rules and a further delay in the worldwide interest allocation rules. Certain corporate estimated tax payments are also accelerated to help offset the cost of the tax incentives.

Source: National Tax Office

NAFEM Announces New Officers, Directors

A new executive board was announced at the North American Association of Foodservice Equipment Manufacturers' annual meeting and management workshop in Sonoma, Calif. in February. Taking the reins for two-year terms are: Steven R. Follett, Follett Corp., president; Thomas R. Campion, Franke Foodservice Systems, president-elect; and Michael Whiteley, Hatco Corp., secretary/treasurer. Newly elected directors Kevin Clark, The Delfield Co., and Rob Connelly, Henny Penny, join incumbents Kevin Fink, Mile-High Equipment Co.; Dana Rafferty, Chicago Metallic; and W. Michael Shanahan, Cadco Ltd. on the board.

Source: FER/NAFEM

Stephen F. Smith Announces Plans to Retire. Michael W. Green to Assume Additional Responsibilities

Sysco Corporation announced that Stephen F. Smith, the company's executive vice president, south and west U.S. foodservice operations, plans to retire effective July 3, 2010, the end of Sysco's fiscal year. Beginning with the new fiscal year, Michael W. Green, currently executive vice president, northeast and north central U.S. foodservice operations, will assume responsibility for managing all U.S. broadline activities as executive vice president, foodservice operations. William J. DeLaney, Sysco's president and chief executive officer, said, "We are deeply appreciative of the countless contributions Steve has brought to our company. We all wish Steve and his wife Jan a long and happy retirement." Smith, 59, will retire following a distinguished 30-year career during which he led several Sysco operating companies. Green, 50, joined Sysco Chicago in 1991 and was named executive vice president of the Chicago operation the following year.

Source: The Sysco Corporation

National Restaurant Association Committed to Comprehensive Immigration Reform

As activists gather from all over the nation to rally in Washington D.C. on the issue, the National Restaurant Association reaffirmed its strong support for action on comprehensive immigration reform in the U.S. Congress. The restaurant and foodservice industry is the second largest private sector employer in the U.S. with 12.7 million employees, as well as one of the largest private sector employers of immigrant workers. The Association estimates the number of jobs in the industry will grow by 1.3 million over the next 10 years. "Our nation's 945,000 restaurant locations and their millions of employees have much at stake in this effort, and it is critically important that the Congress continues to work to address this important national issue," said Scott DeFife, the Association's Executive Vice President of Policy and Government Affairs. "We commend the President and Senators Charles Schumer and Lindsey Graham for their leadership in attempting to move this vital issue forward." "The Association continues to support comprehensive reform that strengthens our borders; provides a way for employers to hire from abroad when U.S. workers are not available; creates a reasonable solution to the undocumented in the United States; and establishes a verification system that is effective, inexpensive and reliable, and does not unfairly penalize employers," said DeFife. "We will continue to work with members of both the House and the Senate to ensure passage of workable comprehensive immigration reform in this Congress." The National Restaurant Association has been extremely active in the effort to achieve comprehensive immigration reform, serving as co-chair of the Essential Worker Immigration Coalition, which includes more than 40 national businesses and trade associations seeking reform of America's broken immigration system.

Source: The National Restaurant Association

Domino's Pizza CEO to Lead in Global Sales Shift. Ann Arbor Chain's New Boss Welcomes 300th Store in India

It's somehow fitting that J. Patrick Doyle, president and new CEO of Ann Arbor based Domino's Pizza, spent his first days on the job last week in India and Saudi Arabia. On Thursday, he opened Domino's 300th outlet in India and its 65th new location there this year, making India the pizza-delivery chain's fastest-growing market. "In the next three to five years, our sales outside the U.S. will surpass our sales here," Doyle, 46, said Thursday in his first extensive interview since taking the reins from David Brandon. About 55% of Domino's \$5.6 billion in sales last year were in the U.S. Doyle said there's still room for growth in the U.S., but it will come from taking a larger share of a mature pizza market where mom-and-pop stores and small chains still deliver 50% of all sales. Overseas, Domino's same-store sales have increased for 64 consecutive quarters, Doyle said, and the explosive growth shows no signs of abating. Unlike many new CEOs after the economic carnage of the past few years, Doyle takes over at a company doing well, in a smooth transition from his highly regarded predecessor. Brandon, Domino's CEO for the past 11 years, took over last week as athletic director of the University of Michigan, but remains on Domino's board as nonexecutive chairman. Even more dazzling has been the performance of Jubilant FoodWorks, Domino's master franchisee in India, which went public in January, and saw its shares jump 58% on the first day.

Source: Detroit Free Press

15 More Dunkin' Donuts for Atlanta

Dunkin' Donuts announced the signing of two multi-unit store development agreements in Atlanta, totaling 15 new restaurants. Yellow Mountain LLC purchased 11 units and Ioan Donuts LLC purchased four. The first restaurant is anticipated to open in 2011, three are slated for 2012, and the remainder by 2017. Dunkin' Donuts development in Metro Atlanta is part of a steady and strategic growth strategy, which includes expanding in existing markets while entering new cities across the country to help drive the leading coffee and bakery chain's growth. Steve Silva and Derek Weilbaecher are founders of Yellow Mountain LLC.

They have been involved in the quick-service restaurant business for over six years and together own and operate eight Zaxby's restaurants, two in Douglas County, Georgia, and six in Jefferson County, Alabama. James Laskaris, president of Ioan Donuts LLC, and Stephen Attard, director of operations of Ioan Donuts LLC, have been Dunkin' Donuts franchisees since 2000 and have 16 open locations in Atlanta. "Dunkin' Donuts is excited to expand its footprint in Metro Atlanta with Yellow Mountain LLC and Ioan Donuts LLC," says Grant Benson, vice president of franchising and market planning for Dunkin' Brands Inc. "Our secret to success is our passionate franchisees that provide a high-level of customer service to our customers everyday, and we're confident both groups will grow and prosper in the community."

Source: Dunkin' Donuts

The Melting Pot Restaurants Celebrate National Cheese Fondue Day with "Cheese for Charity"

The Melting Pot fondue restaurants are donating \$10 from every cheese fondue purchase at participating locations on April 11 to local charities across North America in honor of National Cheese Fondue Day (<http://www.nationalcheesefondueday.com>). This is an opportunity for our restaurants to give back, raise awareness for these causes and create long-lasting partnerships with over 100 organizations that need help," said Rod James, national director of branding for The Melting Pot Restaurants. "By celebrating National Cheese Fondue Day in this way, our guests will be able to feel like an integral part in making a difference for our communities during a time when charities have been hit hard due to economic downturn."

Source: The Melting Pot Restaurants Inc.

Quiznos' Goal: Be C-stores' Premier QSR Partner

Quiznos wants to become the premier quick-service restaurant (QSR) partner for convenience retailers, and to get there, the chain is revamping its presence within the channel and launching a new breakfast program specifically for c-stores. In an interview with CSNews Online, Shultz Hartgrove, senior vice president of convenience development for Quiznos, said the company is setting its expansion sights on the convenience industry because c-stores typically command the best real estate, which will translate into a lot of eyes on the Quiznos brand. "We also see it as a great avenue for growth because we are able to solve a dilemma for c-store operators," he added. "Everybody sells \$3 gas and has the same 20-ounce Cokes and king-size candy bars. We offer a way for them to distinguish themselves." The sandwich chain, known for its hot-from-the-oven creations, currently has 175 convenience store locations, ranging from large chains such as The Pantry to independents. Store operators become Quiznos franchisees, paying the company an annual royalty fee and making a yearly advertising-fund contribution. Hartgrove was brought on by Quiznos six months ago to develop a new convenience store platform. After researching what other QSRs were doing in the space, talking with its retail partners and gathering feedback from consumers, he and his team developed a program that brings the Quiznos experience inside the c-store, as opposed to the current setup where the restaurants are freestanding but connected to the store. "That forces the consumer to make the choice: Do I go in this door to go into the store, or do I go in this door to grab lunch?" he said. "We looked at how we can bring Quiznos inside and make it easier for the consumer, with the hope that they not only buy Quiznos but also other items in the c-store, raising the overall ticket and making that store a destination." With all these initiatives, he said Quiznos is anticipating significant growth in the convenience channel -- and rather quickly. The chain plans to double its c-store base within the next 18 to 24 months, and then double it again within the following year.

Source: Convenience Store News



Yum Bets on China Growth ... and Wins. KFC Restaurants at a Furious Pace Far Beyond China's Major Cities

A report by KFC's parent Yum Brands Inc., which also owns the Pizza Hut and Taco Bell chains, said more than 500 new KFC outlets opened in China in 2009, including 140 in central and western regions. More than half the openings were in relatively small, so-called fourth- to sixth-tier cities. Even a few rural villages got new KFCs. This small-city strategy contributed to a reported 23% increase for operating profits in Yum's China region, which includes Thailand and Taiwan, making it the most profitable and fastest-growing section of the chain's global empire. The company said 2009 revenues in the Chinese market jumped 18% year-on-year, to \$3.68 billion. Meanwhile, the company's 2009 operating profit rose a mere 1% in its home base, the United States. Yum assets in China include several brands, such as KFC, Pizza Hut and Taco Bell. But the KFC chain is a unique soldier on the company's frontlines in a bitter battle with fast-food rival McDonald's (NYSE:MCD). Its latest strategy calls for lightening up in Europe and America, while focusing on a showdown with the Golden Arches in China. In terms of financials and store-presence, Yum is far behind McDonald's back home in the United States. But it's comfortably ahead as China's leading restaurant group. At the end of 2009, Yum operated almost 2,900 KFCs in China, compared with McDonald's 1,137 locations. China is home to nearly 35% of the 1,470 new restaurants opened by Yum worldwide last year. And in a fourth-quarter blitz, 205 opened in China. Yum Deputy Director Tim Jerzyk said the company is banking on the rise of China's hungry urban middle class. By 2020, he said, China expects to have more than 500 million middle-class city dwellers -- Yum's consumer base. But Yum is reaching far beyond major urban centers. Indeed, it's now making a bold play to become the most visible chain restaurant in sixth-tier cities such as Chuzhou, in Anhui Province, where it has virtually no competitors. Typically, these smaller cities also offer relatively cheap rents and inexpensive labor. The strategy is partly tied to the changing dynamics of Yum's business in big cities. For example, savage competition among restaurants in first-tier cities, such as Shanghai, have forced KFC to abandon some outlets in prime locations after their leases expired. Sources said KFC has specific criteria for locations in smaller cities. Each must have a population of at least 200,000, an annual sales volume in the local restaurant sector that's no less than 400 million yuan (\$58.6 million), and rents that are about half those charged in first-tier cities. Yum hires market-development managers in each local market who, after finding locations and personnel, report to the head office for strategic and financial assessments. The company lets 20% of its new restaurants operate at a loss during the first year.

Source: MarketWatch, Inc.

Calbi Foods, LLC Appoints Brand President. Coleen Craig named President of Southern California Korean Taco Truck Chain

Calbi Fusion Tacos and Burritos, the high growth five unit Los Angeles based Korean taco truck chain, is thrilled to announce the appointment of Coleen Craig as President. A 20 year industry veteran, Ms. Craig brings extensive business development, sales, marketing, customer relations, food manufacturing and quality assurance experience to the Calbi brand. Additionally, Ms. Craig is founder of the So Cal Mobile Food Vendors Association, a regulatory group seeking a united voice for the over 50 independent mobile food trucks scouring Los Angeles for both business and recognition. As the only franchisor within the

mobile food industry, Calbi Foods, LLC is a leader in the market and looking to extend outside its Los Angeles based roots. In a final note, the self-proclaimed "Queen of Curb Cuisine" noted, "The demand for excellent food at reasonable prices is here to stay. So is Calbi. I am extremely excited to be an integral part of growing this brand and meeting the needs of our current and potential customers."

Source: Calbi Fusion Tacos and Burritos

Wendy's considers \$1B bid for CKE, owner of Hardee's

Nelson Peltz, owner of Wendy's/Arby's Group Inc. is considering a strategic \$1 billion bid for CKE Restaurants Inc., the owner of Hardee's and Carl's Jr., The New York Post reports. Peltz's Triun Fund Management, the owner of Atlanta-based Wendy's/Arby's, is looking to buy Hardee's and Carl's Jr. hamburger chains, as reported recently. Last month, CKE agreed to be bought by Boston private equity firm Thomas H. Lee Partners for 928 million, but said it would actively seek better offers until April 6. Conrad Lyon, an analyst with Global Hunter Securities, said he wasn't surprised that Wendy's was looking at CKE, saying many private equity firms and a few public companies are likely window-shopping. But, he said, he would be surprised if Wendy's actually made an offer. "If I were a WEN shareholder I would like to see Pelz improve operations with his current holdings and allocate resources towards strengthening the balance sheet," he said. "Second, part of WEN acquiring CKR would likely be to make use of economies of scale; and, as you might suspect, management compensation would likely be high on the list of scaling back. That said, if upper management at CKR were removed after an acquisition, significant compensation agreements would likely be triggered (not to mention what would be paid to Thomas Lee for accepting a higher bid) and make it a tough pill to swallow for WEN shareholders." Wendy's also might hurt itself by trying to operate multiple brands in the same burger category, Lyon said, Yum! Brands, for example, is able to take advantage of offering different food at its KFC, Taco Bell, Long John Silver's and Pizza Huts. "When one or two categories are underperforming, the others may not," Lyon said. "In the case of WEN, it's a bit of putting all your eggs in one basket. What could conceivably work under a WEN/CKR combination, assuming WEN franchisees bought off on it, is utilizing Carl's/Hardee's as premium brands and have WEN be the value brand but ... that would be very tough on franchisees of Wendy's."

Source: St. Louis Business Journal

Subway Eyes Matching McDonalds in China in 10 Years

U.S. sandwich chain Subway hopes to match McDonalds in China by store count in 10 years, its President Fred DeLuca said last week. DeLuca, who founded Subway in 1965, said China had great growth opportunity and targeted 500 stores in the next 5 years, with 35 to 50 set to open in the coming year. "If we accomplish that, then maybe in another five years we may be able to match McDonald's store count," DeLuca told Reuters. He added that Subway was looking particularly at second tier Chinese cities for expansion as major ones such as Beijing and Shanghai had already built a good foundation. DeLuca said Subway's growth in China was in the early stages of development with awareness for products still quite low. "Our biggest challenge is getting customers to try the product," DeLuca said, adding that they were considering lowering the price to attract more customers. A standard subway sandwich costs around 20 yuan (\$2.93) compared with 6 yuan for a cheeseburger at McDonalds. Subway, one of the largest fast-food chains in the world, has 150 stores in China compared with McDonald's, which has more than 2,000. "We have a very different business model to McDonalds. We make smaller stores and tend to put a lot more of them around," said DeLuca. Subway's emphasis on fresh eating and lots of vegetables will help the franchise chain grow as the Chinese consumer looks for healthier options, DeLuca said. He added that China was starting to become aware of rising obesity. "People are starting to understand there is a bit of a problem. This may match up with our growth trajectory and put us in a position where we can grow quite fast." Subway's China stores account for 0.5 percent of Subway's global network of 32,000 stores with markets such as the United States, Canada, Australia and the UK making up the bulk of revenue. In 2009, worldwide sales were \$13.8 billion, of which China contributed only a "tiny" amount.

Source: Thomson Reuters 2010



Quaker Steak & Lube® Names John Longstreet President and CEO. Ken Cole Steps Down to Pursue Lube Franchise Opportunities

The Quaker Steak & Lube board of directors named John H. Longstreet president and CEO, effective April 1, 2010. He succeeds Ken Cole, who stepped down at the end of February to focus on opening Quaker Steak & Lube franchise restaurants and other business opportunities. Longstreet, a Quaker Steak & Lube board of directors member for six years, is president of Hospitality Leaders Group, LLC, a Texas firm which consults on organizational development, service delivery, food and beverage operations, corporate culture, leadership effectiveness and team development. "John will be a great fit for The Lube," said Mike Stack, Quaker Steak & Lube's chairman of the board. "His experience and expertise in running high volume operations – combined with his understanding of our concept – will allow him to maximize Quaker Steak & Lube's growth potential." Longstreet, a Sharon, Pa., native, is excited about leading such an iconic brand. "I grew up with co-founders George Warren and Gary Meszaros and I have been a huge fan of The Lube since it opened 36 years ago," he said. "Having served as a company director, I couldn't be more energized about getting back to Sharon and building on George and Gary's successes, as well as, my predecessor, Ken Cole," said Longstreet. With 80 percent of the chain's restaurants franchised, Longstreet credits much of The Lube's growth to its franchise owners. "I want to recognize our franchise owners' commitment and dedication to this concept, and I look forward to working with each of them in their local markets." Stack said Warren and Meszaros will continue as active board members and will be advisors to Longstreet, who will have day-to-day operating responsibilities.

Former CEO Ken Cole, who helped grow the casual dining chain by 36 percent during the last two years, stepped down to focus on becoming a Lube franchisee. He is exploring Nevada and West Virginia as potential markets. During his tenure, The Lube added 8 units, while sales increased from \$49 million in 2007 to more than \$102 million in 2009. "Ken played a key role in helping The Lube evolve from an entrepreneurial company to one with professional management that is now better positioned for further growth," Stack said.

Source: Quaker Steak & Lube®

Slow, Steady Growth Paying Off for Darden

Like the tortoise in Aesop's fable, Orlando-based Darden Restaurants for several years has taken a slow, steady approach to opening new Olive Gardens and Red Lobsters as its competitors built at the frenzied pace of the hare. But as the recession slowed growth at other chains, Darden began overtaking its competitors. And as the company moves forward building in restaurants – about 50 this year, increasing to between 65 and 75 in 2011 – it stands to do well in a tough real-estate market by snapping up good locations at great prices. Through a spokesman, Darden executives declined to be interviewed about future plans. But industry watchers say the Fortune 500 company with annual sales of \$7.2 billion will benefit from its measured approach. "The big, well-positioned players like Darden that are very disciplined in their growth are going to find a lot of opportunities at the expense of people who don't have the same financial strength," said Rick Van Warner, a former company spokesman who now is president of a consulting firm. Darden has been growing its restaurants at a rate of between 3 percent and 4 percent. A few years ago, it was lagging behind many other major chains, which were "far outstripping the growth of consumer spending and even the growth of population," said Steve West, a restaurant-industry analyst for the

investment firm Stifel Nicolaus. Restaurant experts say that in their haste to grow quickly, some of those chains ended up in bad locations or had trouble finding good managers. The market became oversaturated with bar-and-grill restaurants such as Chili's and Applebee's, West said. Some chains closed restaurants in big numbers. And now, some are barely growing at all. Brinker International was growing its Chili's chain at about 10 percent a few years ago, West said. This year, Brinker has projected it will not open any corporate-owned Chili's restaurants, while franchisees will open about 15 places. In the categories that cover Darden's restaurants – including Italian, seafood and steak – there's still room to grow for many years to come, West said. Darden agrees, saying in a recent analysts' conference that America has room for at least another 800 and perhaps more than 1,000 more of its six brands of restaurants. It has more than 1,800 restaurants now. "Their credit rating and quality of their company gives them a huge trump card to be able to play in real estate," said Craig Weichmann, a former restaurant-industry analyst turned investment banker who advises executives. Weichmann said knowledge of the market that comes from having blanketed the country with Olive Gardens and Red Lobsters also will help as Darden expands brands such as LongHorn Steakhouse and Capital Grille, which it acquired in 2007. And the company may venture into more unfamiliar territory. Darden has been seriously discussing international expansion through a joint venture, in the Persian Gulf states and Mexico. That would make sense for the company, industry watchers say. But West noted that a joint venture means Darden would have to cede a little of the tight control it's so well-known for. "I'm sure they will go very slow," he said.

Source: The Orlando Sentinel

Mos May Open 200 China Outlets on Rice Burger Demand

Mos Food Services Inc., Japan's second-largest hamburger chain, may open 200 stores in China in the next five years, betting its rice burgers may be better suited to local tastes than offerings from McDonald's Corp. "We want our rice burgers to be our main menu offering because they're particularly popular among the Chinese," President Atsushi Sakurada said in an interview in Tokyo on March 12, referring to the success of the chain in Taiwan. "It's possible to open about 200" outlets in eastern China. Mos Food, which offers rice burgers that use grilled rice patties instead of buns, tailors its menu to suit local preferences with its Taiwan restaurants selling ginger-pork and fried seafood burgers. The Tokyo-based chain is re-entering mainland China after it exited following the bankruptcy of a joint venture partner in 1997. "The company may succeed overseas with its unique menu," said Takashi Oka, an analyst at Toward the Infinite World Inc., who has a "neutral" rating on Mos Food. "The company is being cautious this time with store opening plans." Mos Foods aims to boost the number of Mos Burger restaurants abroad to 1,000 in the next 10 years from about 210 today, Sakurada said. It's considering entering South Korea and Malaysia in the year beginning April 1 and may open stores in Europe, North America and Australia, he said. The company opened a new outlet in the city of Xiamen through a joint venture last month. Mos Food opened its first Hong Kong store in October 2006. Sakurada estimates outlets in China will generate an average of 50 million yen (\$550,000) in annual sales, about 70 percent of the Japan average, he said. Sales at stores open at least a year in Japan fell 1.1 percent in the first 11 months of this fiscal year. The company has about 1,340 Japan outlets with menu items including rice burgers with tempura and barbecued beef.

Source: Bloomberg.com



Saudi Hotel Sector Set for Growth

The Saudi Arabian hospitality sector is set to grow with inbound travel on the increase, both in terms of religious tourism and business visitors, according to a research report released Tuesday by the Dubai-based research company Proleads. "It is forecast that there will be another 21 hotels with 7,000 hotel rooms in Saudi Arabia by 2013, 2,000 of which will open this year," the study said. Although the global economic recovery remains uncertain, it noted that new hotels are continuing to open across the Middle East and that the GCC (Gulf Cooperation Council) is likely to see 48 new hotels with 14,178 rooms open in 2010, at an estimated cost of \$7.3 billion. "Facing up to this double-edged challenge, a panel of hotel industry experts is to discuss strategies for dealing with the global economic downturn at the Middle East's leading dedicated trade event for the hospitality and leisure sector," Maggie Moore, exhibition director of The Hotel Show which will be held in May this year. The session on innovative management in challenging times will be part of The Seven Star Conference which is part of The Hotel Show. "The Hotel Show provides a useful barometer for the industry on how equipment, materials and service suppliers, marketing and sales strategies are being affected by the uncertain economic climate," Moore indicated. "While much of the recent attention has focused on the impact of the downturn on the hospitality sector, the United Arab Emirates continues to be one of the world's active areas for hotel openings," she said, adding that the UAE alone has over 5,700 rooms coming to market in 2010. Qatar, Bahrain, Kuwait and Saudi Arabia are also seeing increased activity.

Source: arabnews.com/Ehotelier.com

Pizza Inn Opens New Restaurant in Kingdom of Bahrain. Texas-Based Pizza Chain Continues Aggressive Expansion Into the Middle East; Opens First Limited Service Location on Island Country in Persian Gulf

Pizza Inn, Inc. announces the opening of its newest location in the Oasis Mall in the Kingdom of Bahrain. The new restaurant is the company's 70th location in the Middle East and first of 12 slated for Bahrain. "We're excited about our expansion into Bahrain, as well as our continued growth throughout the Middle East," said Charlie Morrison, CEO of Pizza Inn, Inc. "It is a pleasure to provide our freshly made pizzas, pastas and other popular menu items to the people of Bahrain at affordable prices." In a continuation of the brand's expansion throughout the Middle East, Pizza Inn has entered into a Master Licensee agreement with United Food Company, a subsidiary of Abdullah Abunayyan Group. United Food Company -- which also controls the master licensee rights for Saudi Arabia, Oman, Qatar, United Arab Emirates and rights throughout MENA -- will oversee development of 12 total units in the Kingdom of Bahrain. Bahrain sub franchisee Buena Vista Food W.L.L. will develop and operate the restaurants. "United Food Company is proud to be Pizza Inn's partner to bring the brand to Bahrain," said Khushru Mistry, CEO of United Food Company. "We think the product and the brand are exceptional and we're looking forward to successful growth of the concept not only within the Kingdom, but throughout the MENA region." "With the addition of our first location in Bahrain, we have successfully opened 10 restaurants internationally since our fiscal year began in July 2009," said Madison Jobe, Vice President of Development for Pizza Inn, Inc. "We are excited to continue our aggressive growth internationally and anticipate tremendous success in Bahrain."

Source: Pizza Inn

Red Robin Agrees to Look for New CEO

Red Robin Gourmet Burgers Inc. is looking for a new chief executive to replace Dennis Mullen under a deal struck with activist investors, according to a securities filing by the restaurant company recently. The deal with Clinton Group Inc. and Spotlight Advisors LLC, who together hold about 7.8 percent of Red Robin common stock, included an agreement by Red Robin's board of directors to create a committee "responsible for identifying, interviewing, negotiating with and recommending for hire a new chief executive officer." Shareholders will be updated if a new CEO isn't found by the end of 2010. Red Robin,

which operates 366 casual-dining restaurants and franchises another 133 restaurants, ended 2009 with a 3-percent decline in revenue to \$841 million, reflecting the opening of 20 new restaurants as well as a same-store sales drop of 11.1 percent at corporate stores. Its operating profit fell 13.6 percent and the company's net income fell 35 percent to \$17.6 million, or \$1.14 per share. As part of the agreement with investors, Red Robin also agreed to add three executives to its board of directors. Pattye Moore, the recently appointed independent board chair for Red Robin, said the addition of three members would help enhance governance and aid the company's long-term strategy. "This succession process is a continuation of Red Robin's ongoing succession planning," Moore said in a statement. "While we have formed a succession committee, the process is the responsibility of the entire board and will be done in a thoughtful and timely manner. This has been an ongoing process, and Dennis Mullen is under contract through December 2012, so we look forward to a seamless transition when we find a great candidate."

Source: NRN

Smashburger Appoints New CEO

Smashburger has selected David Prokupek, its chairman, to also serve as chief executive officer. The company has also expanded its board by adding three new members who will provide strategic direction and guidance as the burger chain accelerates its growth and reaches more than 100 stores in 2010. In addition to his role as Smashburger chairman and CEO, Mr Prokupek serves as managing partner and chief investment officer at Consumer Capital Partners (CCP), a private investment firm focusing on consumer brands and services and Smashburger's primary investor to date. He has around 20 years of experience as a CEO, entrepreneur and investment manager. He has spent his career in building, financing, and advising high-growth businesses in the consumer, retailing, and financial industries. The new board members include: Mike Fries, president and chief executive officer of Liberty Global; Steve Schiffman, president and general manager of National Geographic Channel; and Brian Rainey, president of Epsilon Targeting. David Prokupek, chairman and CEO of Smashburger, said: "The members of our board have incredible experience building dynamic brands like Smashburger. The board's stewardship will help guide Smashburger through a period of unprecedented growth and establish it as one of America's great new brands."

Source: FoodBusiness Review

Retailers Feeling Gutsy. National chains plan a huge number of store openings even though closures remain high.

Pretty soon Americans, will notice one other sign of an economic rebound: hundreds of new Quiznos Sub shops, Dollar General outlets and Anytime Fitness gyms, along with more of the already-ubiquitous Starbucks, Subways and 7-Elevens. Retailers have been scaling back their expansion plans since late 2008 with some companies scrapping their entire U.S. strategies but recent months have seen those decreases level off. You can thank, in part, a decent holiday shopping season that signaled American consumers will keep spending despite high unemployment. A slight increase from the end of 2009 in planned store openings signals that national chains anticipate a recovery in employment followed by growing consumer spending, says RBC analyst Rich Moore. The roughly 2,200 firms he tracks are looking to open 65,257 stores in the next two years, up 1% from last December but well down from the nearly 72,000 planned openings retailers had back in late 2008 just as Lehman Brothers' collapse was spiraling into a U.S. recession. Not that retailing doesn't feel the hangover from the recession. Both store closings and vacancy rates are higher than normal. Store closings are at their highest level since early last decade, according to government data. Vacancies are at their highest level since at least 1999, by one measure. Some segments of the retail sector have pulled back faster than others, too. Planned department stores have fallen sharply as have shops associated with the housing market, like hardware and furniture. Quiznos, Dollar General and Anytime Fitness plan the most new openings in coming years, according to Moore. Other discount retailers like Dollar Tree and Family Dollar Stores are near the top of the list, too, as are Walgreen, the pharmacy chain, and Burger King. Firms that have scaled back their plans in the last few months include OfficeMax,

which reduced planned openings from 120 to 24, and The Athlete's Foot, which halved the number of new locations.

Source: Forbes.com



At Pollo Campero, Growth Is on the Menu. The Guatemalan chicken chain established a niche with immigrants in the U.S. Now it's hungry for more

Carla Flores emigrated to Chicago from Honduras 27 years ago. Her husband, Eric Ruiz, moved from Guatemala. He never forgot his favorite chicken back home—and for that Flores is thankful. We're talking about Pollo Campero, the fried chicken chain that's the McDonald's of Guatemala and making a dent in the U.S. fast-food market, with 53 stores in 15 states since its 2002 arrival. Flores and her daughter, Eugenia, drive a couple of miles to a Pollo Campero in Chicago three times a month just to get a taste. "It brings us back to Guatemala," says Eugenia. Immigrants helped bring Pollo Campero to the U.S. Now, as part of the family-owned Guatemala City-based company's global goal of reaching 1,750 franchises over the next decade, the chain is expanding beyond its Spanish-speaking base in places such as Chicago, Los Angeles, and Washington. In the U.S. alone, Pollo Campero aims to grow tenfold, putting it on a collision course with established companies such as KFC and Church's Chicken, as well as rival up-and-comers like El Pollo Loco and Pollo Tropical. Industry analysts say Pollo Campero should benefit from having U.S. franchisees in key markets who are veteran restaurateurs. They include Amir Siddiqi, a former chief operating officer of CKE Restaurants, which owns Carl's Jr. and Hardee's. Siddiqi's new company, Adir Restaurants, opened the first U.S. Pollo Campero in Los Angeles; sales hit \$1 million within 22 days. Lawrence Levy, whose Levy Restaurants runs food concessions in 73 sports arenas and entertainment facilities, also bought in. His seventh store, opening this fall, will replace a McDonald's in Walt Disney World's entertainment district near Orlando. The company is also testing a restaurant inside a Wal-Mart store in Bentonville, Ark.

Source: BusinessWeek

Scott Parrill Named President of ARAMARK Correctional Services

ARAMARK has announced that Scott Parrill has been named President of ARAMARK Correctional Services. In this position, he will oversee the operations at more than 500 correctional facilities in North America, where the company provides a wide range of foodservice, commissary, inmate training, facility services, laundry management and additional support services. Parrill succeeds Timothy Campbell, who most recently has been named President of ARAMARK Healthcare's North American operations. "Scott's emphasis on operational excellence and organizational readiness continue to serve as a foundation for success," said Andrew Kerin, group president of Global Food, Hospitality and Facility Services for ARAMARK. "His commitment to placing the interests of people first, and creating value for our clients communities in which we operate, will help drive continued success for ARAMARK Correctional Services." "I am honored to be named to this position and look forward to continuing to work with such a talented team to identify opportunities that will drive our organization's success in the future," said Parrill.

Source: ARAMARK Correctional Services

171 Dunkin' Donuts Opened in U.S. in '09

Dunkin' Donuts announced strong expansion results for 2009, including the opening of 351 net new locations worldwide and 131 new signed franchise commitments in the U.S. For the year, Dunkin' Donuts opened 171 net new restaurants in the U.S., of which 90 percent were outside of the brand's core New England market. Included among these new and planned outlets are non-traditional locations such as airports, arenas, travel plazas, and universities. "Despite the economy, Dunkin' Donuts experienced strong net growth across the U.S. as well as internationally, which positions us as one of the fastest growing [quick-service] brands in the industry last year," says Nigel Travis, CEO for Dunkin' Brands. "As we continue to grow in 2010, we are focusing on steady, strategic growth that allows us to gain greater penetration in our existing markets, while also entering a few select new territories. Additionally, we are also focused on driving operational excellence in our existing locations to ensure our guests continue to enjoy a high-quality product and experience every day in new and existing locations alike." Dunkin' Donuts signed multi-store development commitments in over 20 areas around the country, including new markets such as Louisville, Kentucky; Birmingham, Alabama; Dayton, Ohio; Madison, Wisconsin; and Erie, Pennsylvania. International expansion included net new locations in China, Korea, Thailand, the United Arab Emirates, and the Bahamas. "We're very pleased with Dunkin' Donuts' growth," Travis says. "Our team has worked hard to evolve our concept to operate more efficiently and effectively and to include smaller footprints. Our 2009 growth speaks to the success of their efforts."

Source: QSR

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

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