



August 29, 2011

Darden to Open Restaurants in Mexico

Orlando-based Darden Restaurants is saying *hola* to Mexico, planning to open at least 37 south-of-the-border Olive Gardens, Red Lobsters and Capital Grilles over the next five years. Darden on Thursday unveiled an agreement it signed with CMR, a major Mexican casual-dining company. CMR will develop, own and operate the restaurants, and Darden will get a franchise fee. Darden would not reveal the details of the deal. The first restaurants should open within a year, but Darden said it was too early to provide exact locations. Logical choices include Mexico City, the country's capital, and Guadalajara, its second-largest city, said Chris Muller, dean of the Boston University School of Hospitality Administration. Those cities "are quite safe and have very strong middle-class and upper-class markets," said Muller, who previously directed a restaurant-management center at the University of Central Florida. Many other U.S. restaurant brands, particularly fast-food chains, have moved in on Mexico. Darden will not open its third major brand, LongHorn Steakhouse, because casual steakhouses are not popular in Mexico, spokesman Rich Jeffers said. Fine-dining steakhouses are popular, and CMR has experience running those, so Capital Grille makes more sense, Jeffers said. With annual sales of \$7.5 billion, Darden — Orlando's only Fortune 500 company — has about 1,900 restaurants, almost all in the United States. But of late, the company has been experiencing an international growth spurt. Last month, it started expanding into the Middle East. Its first restaurant, a Red Lobster, opened in Dubai. Red Lobster and Olive Garden will debut in Kuwait City early next year. Darden's five-year deal with Americana Group, a company that operates American restaurants in the Middle East, calls for at least 60 Olive Gardens, Red Lobsters and LongHorn Steakhouses in seven countries. Before its Middle Eastern deal, Darden hadn't ventured overseas since the 1980s, when it opened Red Lobsters in Japan. Many of the restaurants closed and a separate company now operates them and pays Darden royalties. Darden also has about 35 restaurants in Canada. Darden's new overseas push is partly driven by the slower growth expected in the U.S. casual dining market. And Darden's biggest brands, Olive Garden and Red Lobster, already blanket the United States. — Source: The Orlando Sentinel.

Newk's Express Café Plans Major Expansion

Newk's Express Café is on pace to exceed its expansion plans for 2011. The company has already signed 35 agreements for new locations in 2011. It has opened six restaurants so far this year and will open at least 14 more by the end of 2011, bringing the total number of Newk's restaurants to 50 by the end of the year. One new franchise group is JK&T Wings, Inc., which will open at least four restaurants in Baton Rouge, Louisiana, and five in Grand Rapids, Michigan. JK&T Wings, which is owned by Kent Ward and Jim Carmody, is also the largest multi-unit franchisee of Buffalo Wild Wings and a franchisee of Smashburger. The company hopes to continue expanding the Newk's concept in the Midwest. Newk's has also signed an agreement to debut in Pensacola, Florida. United Diners, LLC, owned by Roman Mayer and Craig Reeder, has signed an agreement to open three units between Mobile and Pensacola by 2014. They hope to open the first restaurant by July 2012. Mayer and Reeder are also partners of Newk's restaurants in Gulfport, Hattiesburg, and D'Iberville, Mississippi. The company's first Chattanooga restaurant will open by the first quarter of next year. Allen Kimbrell, who also owns two Newk's restaurants in Birmingham, Alabama, and business partner Colby Kaminer have signed on to bring three restaurants to Chattanooga over the next four years. Larry Smallwood will bring Newk's Express Café to the Gainesville market

for the first time. He has signed an agreement to open three locations in the Gainesville area over the next four years. He plans to open the first restaurant in Gainesville by February 2012. His next two restaurants will be located in Ocala and The Villages. "Newk's is really taking off this year," says Chris Newcomb, president, CEO, and co-founder of Newk's. "We have been growing steadily since we opened the first location seven years ago, and we're exceeding our expectations this year. We have added some experienced restaurant franchisees who love the Newk's concept and we're confident that we will continue to expand nationwide." Created by the founders of McAlister's Deli (Don Newcomb, Chris Newcomb, and Debra Bryson) who pioneered the fast-casual restaurant concept, Newk's Express Café provides an express casual dining experience and features a variety of made-to-order choices including fresh-tossed salads, oven-baked sandwiches, California-style pizzas, made-from-scratch soups, and homemade cakes baked by Newk's Bakery Company. A selection of wines by the glass and beer is also available. – Source: QSRmagazine.com

Dunkin' Seeks to Replicate 'Cult-Like Following' in U.S. West

Dunkin' Brands Group Inc. may struggle to duplicate the loyalty of its northeastern customers as the doughnuts-and-coffee chain expands across the U.S. Dunkin' has "really not been proven west of the Mississippi, but it does have a cult-like following in the Northeast," said Christopher O'Cull, a Nashville, Tennessee-based analyst at researcher SunTrust Robinson Humphrey. "The question is: can that be replicated?" Based on expectations that Dunkin' can take on the likes of Seattle-based Starbucks and Peet's Coffee and Tea Inc. nationally, investors have driven up the chain's shares 44 percent since last month's initial public offering, compared with a 16 percent drop for the Standard & Poor's 500 Index. Investors are "betting that it's going to grow a lot faster than it has been growing," said Darren Fabric, managing director at Chicago-based IPOX Schuster LLC, which oversees about \$2.5 billion and bought Dunkin' shares for a managed mutual fund. "They have lofty growth plans." Canton, Massachusetts-based Dunkin' has 6,800 U.S. stores, mostly in the east. Its growth plan includes opening as many as 250 new U.S. locations per year in 2011 and 2012. In the next 20 years, the company plans to more than double its number of U.S. stores to 15,000. McDonald's Corp. has about 14,000 U.S. locations, while Starbucks has 10,900. Dunkin's speedy service and brand power mean the chain will "get a good reception" in the western U.S., Chief Executive Officer Nigel Travis said in a telephone interview. About two-thirds of the stores Dunkin' opened last year were outside the company's home region, he said. So far, locations outside the northeast have generated lower sales than the home-region stores. Midwestern locations brought in, on average, \$602,029 in sales for the year ended Oct. 31, compared with \$996,247 for New England locations, according to the company's Franchise Disclosure Document. The 100-plus store in the West averaged \$718,100 in sales. McDonald's stores on average generate more than double the unit sales of Dunkin' locations, which brought in an average of \$866,042 in the U.S. last year, according to the franchise disclosure document. Starbucks cafes, which are company owned in the U.S., average more than \$1 million in sales, Cliff Burrows, president of Starbucks's U.S. stores, said during an investor conference last year. Stealing caffeine addicts from other coffee shops in the western U.S. won't be easy because people may prefer mom-and-pop cafes and smaller chains such as Peet's Coffee & Tea, said Conrad Lyon, a Los-Angeles-based analyst at B. Riley & Co. "You do have a different kind of customer out West that likes the more distinctive, different type of product." To boost sales, Dunkin' is expanding its food menu, particularly in the traditionally slower hours between 2 p.m. and 5 p.m. The chain aims to lure customers with stuffed breadsticks, bagel twists, wraps and sandwiches. "Food is an important part of our mix," said CEO Travis. "In terms of sandwiches, which we see as part of snacking, we're pleased with the success we're having." Other restaurants in the U.S. are already pushing food in the afternoon. McDonald's introduced its line of chicken snack wraps about five years ago and has since started selling McCafe-branded fruit smoothies as a post-lunch pick-me-up. Starbucks has revved up its afternoon food with chicken wraps and noodle "Bistro Boxes." This year it started selling smaller desserts for people craving an afternoon sugar rush. Moving beyond breakfast will take some doing, according to Dennis Lombardi, executive vice president at restaurant consultant WD Partners. "Dunkin' started out with a history of coffee and doughnuts," said Lombardi, who is based in Dublin, Ohio. "It's always been difficult and challenging to sell a broader category of food, whether that be lunch or dinner." – Source: Bloomberg.com

O'Charley's Brand President Resigns

Wilson L. Craft, president of O'Charley's, one of three restaurant concepts owned by Nashville-based O'Charley's Inc., has resigned to pursue other opportunities, the company announced. A nationwide search is underway for

someone to lead the day-to-day operations of the brand. In the interim, O'Charley's, Inc. President and CEO David W. Head will fill the role. O'Charley's Inc. operates or franchises 343 restaurants under three brands: O'Charley's, Ninety Nine Restaurant and Stoney River Legendary Steaks. "For the past two years, Wilson Craft has led our O'Charley's concept through an unusually challenging environment for the casual dining industry," said Head in a statement. "His diligence and leadership have been an asset to our organization and have helped O'Charley's make tangible strides toward enhancing the guest experience. We appreciate his contributions to these improvements and wish him well in his future endeavors." – Source: The Nashville Business Journal.

Firehouse Subs Spreads to Puerto Rico

Firehouse Subs has announced plans for a 26-unit expansion in Puerto Rico within the next few years through a partnership agreement with Caribbean Restaurants LLC. This will mark the chain's first move outside of the continental U.S. Firehouse Subs currently includes 441 locations. The ultimate goal is to open between 50 and 60 locations in Puerto Rico. Caribbean Restaurants LLC is a multi-million dollar international company that currently operates 178 Burger King restaurants in the territory. "We are delighted to have the opportunity to bring the Firehouse Subs brand to the island of Puerto Rico," said Don Fox, CEO of Firehouse Subs. "In Caribbean Restaurant Group, we have found the perfect franchise partner. They have decades of experience in the restaurant business in Puerto Rico, and a superb reputation for operational excellence. The citizens of Puerto Rico have an appetite for bold, rich flavors, and we are confident they will find Firehouse Subs to be a great addition to the island's culinary scene." Aniceto Solares, president and CEO of Caribbean Restaurants LLC, added that Firehouse Subs fits the Puerto Rican way of life with its exceptional product, dynamic culture and dedication to community service. All Firehouse Subs locations in Puerto Rico will feature a Coca-Cola Freestyle fountain, offering 120-plus sparkling and still beverage brands from a single freestanding unit. The beverage possibilities include many flavors never before marketed, such as caffeine-free Diet Coke with Lime, Fanta Peach, Grape Vault, Minute Maid Light Orange Lemonade and more. – Source: FastCasual.com



Hooters Gets New CEO, Replacing Son of Company's Founder

Atlanta-based Hooters of America LLC, which franchises and operates more than 430 Hooters restaurants, has hired a veteran of soft drinks bottler Coca-Cola Enterprises as president and chief executive. Terrance M. Marks will replace Coby Brooks, the son of Hooters founder Robert H. Brooks. Hooters was acquired in January by a consortium of private investors, and the management change represents one of the largest shake-ups since the deal. Meanwhile, Brooks will become a major franchisee for Texas-based restaurant chain Twin Peaks. The chain, themed as a mountain sports lodge, will be familiar to Hooters fans: its waitresses wear checkered bikini tops. Brooks will lead a team of former Hooters executives who have signed development agreements to open 35 Twin Peaks restaurants in six states over the next decade. Marks has a challenging job ahead: protecting Hooters' market share from competitors including Twin Peaks and Arizona-based Tilted Kilt Pub & Eatery, which is on a drive to open restaurants in the Atlanta market. Greg Dollarhyde, a restaurant industry veteran who has led Baja Fresh Mexican Grill and Zoës Kitchen, said the Hooters brand is tired in the United States. The company has deferred maintenance and upkeep in its restaurants, suffered management turnover and let its menu go too long without freshening, he said. "It needs to step its game up," Dollarhyde said in an interview this summer. "The brand is not dead, but it needs polishing." Marks brings a varied background to the Hooters job. Most recently, he was president and chief executive of The Pantry Inc., which had 1,650 convenience stores in 13 states. Before that, he spent 21

years at Coca-Cola Enterprises in various sales, operations, finance and general management roles, culminating as president of CCE North America. "I am thrilled to be returning to Atlanta and am very excited to be joining the Hooters team," Marks said in a statement. "The opportunity to contribute to the growth of a great brand like Hooters is extremely energizing to me." – Source: The Atlanta Journal-Constitution

Penn Station East Coast Subs Plans 25 Kansas City-Area Shops

Penn Station East Coast Subs hopes to open 25 shops in the Kansas City area during the next five years. Local restaurateur Jim Wilkins is opening the sub chain's first area location at 8663 W. 135th St. in Overland Park on Nov. 1. He hopes to open six to eight more of the shops, starting in the southwest part of the metro. "Overland Park is a great area, and we think office workers, sports teams, commuters, residents and travelers from Route 69 will enjoy stopping in Kansas City's first Penn Station," Wilkins said in a release. The chain, based in Cincinnati, has 225 locations in 12 states, including Missouri, where Penn Station has 19 St. Louis-area locations and one in Cape Girardeau. The sub shop's menu includes classics, such as the Reuben, club and chicken teriyaki, as well as more unique sandwiches, such as the grilled artichoke and pizza subs. Penn Station also serves hand-cut fries and fresh-baked cookies. The Firehouse Subs chain announced similar Kansas City expansion plans a year ago. Its website now lists five area locations. – Source: Kansas City Business Journal

MTY Food Group to Acquire Mr. Submarine for \$23m

Canadian restaurant company MTY Food Group's subsidiary MTY Tiki Ming Enterprises has entered into a binding agreement to acquire the assets of Mr. Submarine Limited for \$23m. The deal is expected to close on or before 31 October and remains subject to standard regulatory approvals and closing conditions. The transaction will primarily be funded from MTY's cash on hand, as well as by an available credit facility. There are about 335 Mr. Sub outlets operating under franchise or operator agreements. The Mr. Sub network generated system sales exceeding \$100m for its 2011 fiscal period. The Mr. Sub transaction represents a significant addition to MTY's network and is the largest acquisition by the company as of today, said MTY Food Group. With three out of four Mr. Sub outlets being street front locations, the transaction will reinforce MTY's presence on the street, the company claimed. Approximately 80% of Mr. Sub's restaurants are located in Ontario, with the other restaurants distributed in six other provinces of Canada. This transaction will bring MTY's network to over 2,070 outlets. It operates restaurants under 26 brand names including Country Style and Thai Express. – Source: Food Business Review.

Wendy's Tests Four New Stores

More than a few customers could be seen mouthing the word, "Wow," as they walked through the electronic sliding door and gazed into the new prototype Wendy's restaurant that opened last week in Columbus, Ohio. The redesign, dubbed "ultra modern," features clean lines, bright lighting, rich colors and some of the top design concepts in the restaurant and retail industries. It is also among four building styles Wendy's will test in a multiyear strategy to reinvigorate the brand. The restaurant and a similar unit nearby that opened two weeks ago "are very different from what our customers are used to," says David Karam, president of Wendy's, based in nearby Dublin, Ohio. "We will learn a lot in the coming months from their comments." The chain's high-quality food has always been a draw for Wendy's patrons, who are the main reason the company embarked on the redesign, Karam says. "Frankly, customers told us some of our restaurants are getting dated," he says. "They also said they'd like to see our fresh food preparation, and they want more comfort in our dining areas." The result: The interior features a better view of the kitchen behind the counter and five distinct seating types, including a lounge with a fireplace, booths, two-top tables, high-top tables and a high-top counter with electric outlets to plug in devices. "You are more likely to have the side item and beverage you may not have if you drive through or carry out," she says. "Customers are looking for value, and value is more than price. It's atmosphere, ambiance, creativity, innovation, and food quality, too." The prototypes in Columbus feature some fast-casual touches beyond the open kitchen, including multiple digital food display signs, separate ordering and pick-up stations, and a refrigerated display case for bottled beverages and baked goods. There's also a digital, animated menu-board and key phrases in permanent signs dotted throughout the restaurants. One of those slogans, "Quality is Our Recipe," is spelled out on the front of the building's exterior, which has a clean, Midwestern modern look, complete with large windows and natural materials, that harkens to

Frank Lloyd Wright-influenced designs. "People are tired of big boxes that look ordinary," says Tre Musco, chief executive officer of Tesser Inc., the San Francisco-based brand strategy and design firm working with Wendy's to develop the prototypes. "Customers are very clear in believing that if you put more attention into your building design, you put more attention in your food." Wendy's, with 6,600 restaurants worldwide, will test the three other prototype designs in three other U.S. cities and one in Canada. The company has not announced details about the designs or named the cities where the stores will be built. – QSRMagazine.com



KFC: First US Chain in East Africa's Untapped Market

You can't buy a Big Mac in Kenya. There are no Burger Kings. But there's good news for chicken lovers: KFC just opened its first restaurant in East Africa. The shiny red-and-white KFC in the new wing of an established Nairobi mall is the first American fast food outlet in East Africa's most developed economy, and there are indications its entrance could herald a rush of U.S. chains into this untouched but potentially lucrative landscape. The major reason that neither golden arches or Whoppers are found in Nairobi is concern over the supply chain. The KFC investors worked with a Kenyan chicken supplier for more than a year to bring it up to the quality control standards demanded by KFC's parent company, Yum Brands Inc. The restaurant's Aug. 11 opening was met with long lines of enthusiastic customers. Some waited for up to 90 minutes to be served. At 2 p.m., about 40 people stood in a single line that flowed to five cash registers. Most of the restaurant's 100 seats were filled. Customers Zahir and Rahat Lalji smiled as they ate a Zinger sandwich and a two-piece chicken meal. Rahat Lalji said she had been anticipating the opening for months. "We really appreciate that this KFC came to Kenya after many years. We're really happy it's here," said Zahir Lalji, a 36-year-old in the transportation business who studied in Canada and even worked at a McDonald's there. "We're hoping McDonald's will come in," he added. "Pizza Hut, Dunkin' Donuts. It's an open market for those with investment capital." Gavin J. Bell, the restaurant's general manager, said KFC's Kenyan chicken supplier -- Kenchic -- had to make more policy and procedural changes in the last year than in the company's first 20, including ensuring that the chicken was kept cold "from farm to fork" and that items could be easily traced in the event of recalls. Calls to Kenchic for comment were not answered. "Those are tall orders for companies that haven't based themselves on that," Bell said. "Those are standard practice in Europe, America, Australia, however in this part of the world we are raising the benchmarks of the supply chain, and the hospitality standards at the same time." David Kincheloe, the president of the U.S. group National Restaurant Consultants, said he began looking into a KFC franchise in Kenya for a different investor 2 1/2 years ago, but that the biggest obstacle was, again, the supply chain. Kincheloe said it's logical that KFC is paving the way for more U.S. brands. "Yum Brands is working their way into the African market," he said, referring to KFC's Louisville, Kentucky-based parent company. "Once you're able to get KFC in and you're able to work out the issues with the supply chain maybe you'll see a Long John Silver's, a Pizza Hut, a Taco Bell." The Nairobi KFC investor group includes a man whose family owns 40 KFC restaurants in South Africa, and there are plans for expansion here. Two more KFCs are slated to open in Nairobi this year, and Bell said the group wants to open 15 restaurants in Kenya, Tanzania and Uganda in the next three years. – Source: Associated Press.

Quiznos Chain Faces Tough Finance Issues

Denver-based Quiznos is under financial pressure as sharpened competition, waning sales and debt woes weigh on its bottom line. Analysts say the sub-sandwich company is struggling to pay its debt and could be headed for a reorganization. The chain has seen a sharp downturn in its number of stores and shrinking revenue from the outlets

that remain open. Privately owned Quiznos does not disclose financial metrics and releases almost no public information. Yet analysts who follow the company say it is clear that the chain is nearing default on its loans and scrambling to restructure \$875 million in debt. "It's one of the biggest restaurant collapses in American history," said restaurant consultant John Gordon of San Diego-based Pacific Management Consulting Group. In keeping with its private orientation, Quiznos through a spokesman last week declined to comment and issued only a brief statement about its finances. "Quiznos has hired a financial adviser to assist in working constructively with its lenders to develop a proper financial structure for the company," the statement said. "We expect these activities will not adversely impact Quiznos' customers, franchise owners, employees or business partners. We fully expect this process to drive an outcome that will help the brand grow and prosper." If Quiznos were to default on its debt and file for bankruptcy reorganization, "it would have a negative impact on the investment these franchisees have made in the company. It pretty much puts that investment into the toilet," Klein said. The Wall Street Journal, citing unnamed sources, reported in July that Quiznos had notified its lenders that it would soon violate loan terms. Doing so would put the company in default and could trigger a requirement for immediate repayment of its debt. A Quiznos spokesman declined to comment on the status of new investment by owners. Without a capital infusion from the owners, Gordon said, "it's not exactly a vote of confidence" in persuading lenders to convert their debt to equity in Quiznos. – Source: The Denver Post

Panera Bread to Expand Here and in Canada as Chain Seems Unfazed by Sputtering Economy

The owner of the country's largest Panera Bread franchise has big plans for central Ohio, never mind the economy. Sam Covelli plans to expand the chain's restaurant count by at least 30 in the next five years, including several to open within a year. Covelli Enterprises of Warren, Ohio, bought 19 Panera bakery-cafes from Columbus-based Breads of the World last year. Already Panera's largest franchisee with 200 locations in Ohio, West Virginia, Pennsylvania, Kentucky, Florida and Canada, Covelli said he also plans to expand into Toronto, Ontario, with up to five new restaurants. Although economic reports show that the downturn is lingering, he said his company hasn't seen its customers cut back on spending. "We had our biggest year ever last year," Covelli said, noting that his stores had more than \$400 million in sales. "What other company can say that in this economy?" Same-store sales at Panera bakery-cafes that had been open at least 18 months increased 44 percent at company-owned restaurants in the second quarter, and 3.6 percent at franchised locations, Panera said when it released earnings last month. "As long as we have employees who care and customers who want to keep coming back to our restaurants, I'll keep opening stores," he said. Adding 30 restaurants in the Columbus area makes sense for Panera because the region has been a great market for the brand, said Robert Welcher, a restaurant analyst and president and CEO of Columbus-based Restaurant Consultants Inc.

"There comes a tipping point for any restaurant for oversaturation, but I think the (Columbus) market could handle" the growth, Welcher said. "Panera has such a broad appeal; I think the market could support the additional stores with no problem." The newest location, which opened in May at 1531 Hilliard-Rome Rd. on the Far West Side, is designed after a new prototype that includes the first drive-through window for a Panera in Columbus. The company is also introducing a fall menu that includes a roast-turkey artichoke panini, a roast-turkey harvest salad and a low-fat cranberry-orange smoothie with ginseng. By accommodating those who prefer to stay in their vehicles, the new restaurant allows more consumers to buy Panera products, Welcher said. The design also features new seating and better patio seating, part of an effort to be "more living-roomy," Covelli said. The drive-through is a feature of fast-food chains that of late have been taking a page from Panera's book, redesigning their stores to make them look more like the soup, salad and bakery chain's. The company plans to open its largest restaurant on Lane Avenue across from Ohio State University in October, in the building that once housed Wendell's and Cooker's restaurants. Covelli said he's not concerned about the other restaurants that opened in that location but eventually closed, noting that he also has land behind the restaurant that will allow for 100 extra parking spaces. "We're not going to be a sports bar, but Panera with some OSU tie-ins," he said. OSU officials are more than happy that the space, which is owned by OSU and has a 10-year lease, is being developed into a Panera, said OSU spokeswoman Amy Murray. "We're very pleased to have leased the property and that it's becoming a Panera," she said. "It's a growing company with a successful track record. "Their store at 11th Avenue and High Street is very popular, and we expect this store to be so as well." – Source: The Columbus Dispatch.



California Pizza Kitchen Names G.J. Hart as Chief Executive Officer. New CEO Brings Proven Track Record of Building Leading Casual Dining Brands and Delivering Growth

California Pizza Kitchen, Inc. announced that G.J. Hart has been named its President, Chief Executive Officer and Executive Chairman. He will succeed Rick Rosenfield and Larry Flax, CPK's co-founders. CPK was acquired by Golden Gate Capital on July 7, 2011. Mr. Hart, 53, is a highly respected industry leader who brings to CPK a proven track record of growing casual dining concepts. He most recently was CEO of Texas Roadhouse, a publicly traded casual dining company that owns, operates, and franchises more than 350 restaurants across the country. During his ten years at Texas Roadhouse, he led the company through an unprecedented period of growth, increasing revenues from \$63 million to more than \$1 billion. Under his direction, Texas Roadhouse grew unit count, revenue, and profitability every year he was at the company. Mr. Hart's leadership skills, strategic vision, and ability to create an employee-focused culture are often cited as the pillars for Texas Roadhouse's successful expansion. Messrs. Rosenfield and Flax stated, "The Company has been actively engaged in a CEO search and, with the sale to Golden Gate Capital complete, this is the right time to bring in a new CEO with the operational and strategic expertise to take CPK to the next level of performance. In G.J., we have found a talented leader with demonstrated success in building one of the most popular and respected casual dining brands through employee loyalty and a focus on delivering a superior dining experience for consumers. His leadership skills and entrepreneurial drive, combined with CPK's reputation of delivering delicious, innovative food and excellent service, position the Company for continued success." "I am excited to be joining California Pizza Kitchen – a company that has earned an exceptional brand reputation by consistently raising the bar for excellence and innovation in a competitive and dynamic marketplace," said Mr. Hart. "Equally compelling is the opportunity to work with CPK's talented management team and employees whose success is anchored by a strong set of embedded cultural values, and with the Golden Gate Capital team whose strategic vision for casual dining and rich history of growing top-tier consumer brands are unparalleled." Josh Olshansky, a Managing Director with Golden Gate Capital, said, "G.J. is widely recognized as one of the industry's most successful executives whose achievements are unmatched in the sector. He is a creative and team-oriented leader with excellent management skills and a superb track record of delivering outstanding results and growth. As we look to the future, we are confident that CPK will benefit from his unique perspective and capabilities, and we are delighted that he has agreed to join the Company." – Source: California Pizza Kitchen, Inc.

Texas Roadhouse, Inc. Announces Executive Management Changes Kent Taylor Reassumes CEO Role; Scott Colosi Named President; Price Cooper Named CFO

Texas Roadhouse, Inc. announced executive management changes at the Company, effective today, August 18, 2011. W. Kent Taylor will resume the role as Chief Executive Officer of the Company, a position he held between May 2000 and October 2004. Prior to being named Chief Executive Officer in May 2000, he was the Company's President since its founding in 1993. Mr. Taylor will also retain his positions as Chairman of the Company and Board. Mr. Taylor's return to his prior position as Chief Executive Officer follows the resignation of G.J. Hart, former President, Chief Executive Officer and a member of the Board of Directors, effective August 17, 2011. Mr. Hart left the Company to accept the positions of Executive Chairman and Chief Executive Officer of California Pizza Kitchen, Inc. In addition, Scott M. Colosi has been named President of the Company. Mr. Colosi has been employed by the Company as its Chief Financial Officer since September 2002. Finally, G. Price Cooper, IV has been named Chief Financial Officer of the Company. Mr. Cooper has been employed by the Company as its Vice President of Finance since August 2006. Kent Taylor commented, "I am excited to be returning to the role of Chief Executive Officer, and I look forward to continuing to work with Scott, Price, Steve Ortiz, our Chief Operating

Officer, Sheila Brown, our General Counsel, and our entire leadership team to continue driving our business forward. We will all truly miss GJ. His passion and care and concern for the people of Texas Roadhouse is Legendary. He will always be a Texas Roadhouse Legend, and all of us wish him and his family well in their new venture." Taylor concluded, "To our partners in the field and at the Support Center, and to our valued franchisees and vendors, we want to convey that our commitment to partnership remains solid and unwavering. Our mission statement of 'Legendary Food and Legendary Service' and our core values of 'Passion, partnership, Integrity and Fun . . . All with Purpose' which embody our culture will continue as always." – Source: Texas Roadhouse.

Red Robin Announces Appointment of Stuart B. Brown as Chief Financial Officer

Red Robin Gourmet Burgers, Inc., announced the appointment of Stuart B. Brown as senior vice president and chief financial officer. Mr. Brown will be responsible for leading a wide range financial disciplines at the Company including accounting, financial planning and external reporting, as well as overseeing the Company's supply chain organization. Mr. Brown brings more than 20 years of leadership in corporate finance, including 10 years in the food retailing industry. He has extensive experience in public company finance including capital markets, treasury, financial planning and analysis, financial reporting and investor relations, as well as working closely with operations teams to strengthen performance. "Stuart Brown is a great addition to the Red Robin team," said Steve Carley, Red Robin Gourmet Burgers, Inc.'s chief executive officer. "Throughout his extensive career, Stuart has demonstrated his talent in leading finance teams in multiple areas and in a diverse range of industries, and making impressive contributions along the way. We're excited to have Stuart on board at Red Robin as we continue to strengthen our performance and implement Red Robin's long-term strategic plan." Before joining Red Robin, Mr. Brown had, since 2006, served as chief financial officer for DCT Industrial Trust Inc., a publicly traded real estate investment trust that owns, operates and develops distribution facilities in the U.S. and Mexico. Prior to his role at DCT Industrial, he was chief accounting officer at Federal Realty Investment Trust, where he was responsible for all areas of accounting and overseeing business improvement projects. – Source: Red Robin Gourmet Burgers, Inc.

Krispy Kreme to Open 73 Stores in Japan

Krispy Kreme Doughnut Corporation has signed new development agreements with its Japanese franchisee, Krispy Kreme Doughnut Japan Co., to build 73 new outlets in the Kanto, Kansai and Chubu regions of Japan over the next five years. Krispy Kreme International President Jeff Welch said that the company is excited about its continued growth in Japan and other international markets. "Today's announcement, together with a new commitment for 70 additional stores by our franchisee in Mexico, adds 143 new Krispy Kreme stores to our international development pipeline for the next five years," said Welch. Krispy Kreme Doughnut Japan Co has been a franchisee of Krispy Kreme since 2006. "They are an outstanding operator, and we look forward to a continued association with them as they share the one-of-a-kind Krispy Kreme experience with consumers in Japan." Currently, the Krispy Kreme Original Glazed doughnut can be found in over 650 stores in 21 countries, including the US, Australia, Bahrain, Canada, China, Dominican Republic, Indonesia, Japan, Kuwait, Lebanon, Malaysia, Mexico, the Philippines, Puerto Rico, the Republic of Korea, Qatar, the Kingdom of Saudi Arabia, Thailand, Turkey, the UAE, and the UK. – Source: Krispy Kreme Doughnut Corporation/Food Business Report.

California Pizza Kitchen Hires New CEO from Texas Roadhouse

When choosing its new chief executive, California Pizza Kitchen went for a taste of Texas-style steak by way of Kentucky. The new boss of the Los Angeles-based casual dining company will be G.J. Hart – recently CEO of western-themed and Louisville-based chain Texas Roadhouse. CPK said Thursday that Hart would replace co-founders Rick Rosenfield and Larry Flax. The two former federal prosecutors launched the chain's first restaurant in Beverly Hills in 1985. Last month, CPK was acquired by San Francisco-based private equity firm Golden Gate Capital for \$470 million. The company sells its food at more than 250 California Pizza Kitchen restaurants as well as in stadiums and the frozen food aisles of grocery stores. Hart, who had been with Texas Roadhouse for a decade, will be replaced there by W. Kent Taylor. Taylor will remain chairman of the company as well. – Source: The Los Angeles Times.



Jet's Pizza Opening its First Northeast Florida Location

A Midwestern pizza chain is opening its first Northeast Florida location on the Southside. Jet's Pizza is scheduled to open in the Harbour Village shopping plaza at 13475 Atlantic Blvd. this September. The restaurant offers carry-out and delivery items including pizza, salads, subs, chicken wings and bread sticks. Jet's, based in Michigan, operates more than 200 restaurants in 14 states in the Midwest and the South, including 12 others in Florida. Source: Jacksonville Business Journal.

Smith & Wollensky Moving Headquarters to Hub

Upscale steakhouse chain Smith & Wollensky is moving its corporate headquarters to Boston from Las Vegas, the Herald has learned. Smith & Wollensky President Michael Feighery plans to announce today a move to 260 Franklin St. in Boston's Financial District. The nine-restaurant chain is moving to Boston to be closer to its financial backer, Hub private-equity firm Bunker Hill Capital. It's not yet clear how many jobs the relocation will bring. However, Smith & Wollensky is hiring more than 100 people for a new restaurant the chain has previously announced plans to open at Atlantic Wharf next month. Smith & Wollensky, which began as a single New York City steakhouse in 1977, also has a restaurant in Boston's Park Plaza Castle. – Source: The Boston Herald.

Michael Jordan's Steak House Opens in the Magnificent Mile

Michael Jordan's Steak House Chicago made its debut in the InterContinental Chicago hotel (505 N. Michigan Ave.), taking over that property's sprawling, architecturally fascinating second-floor dining space (which accommodates 160, plus a couple of 20-seat private spaces). The restaurant also is taking over the hotel's lobby-level bar space, which will be expanded to hold 90. "It's an upgrade, to say the least," says executive chef James O'Donnell. The restaurant marks a curious kind of comeback for the NBA hall of famer, as it's the first Chicago restaurant to bear Jordan's name since Michael Jordan's Restaurant closed, unlamented, many years ago. (Of course, one sixtyblue, in which Jordan is a major partner, has been humming along the whole time.) But Michael Jordan's restaurant was a downscale tourist trap into which MJ himself rarely set foot. This new steakhouse will be impressively upscale, featuring the 45-day, dry-aged Delmonico steak (boneless ribeye) of which the restaurant's namesake is reputedly fond. So the chances of an occasional Jordan sighting probably will be pretty good. – Source: thechicagotribune.com

Anthony's Coal Fired Pizza Fires up Expansion

While the rest of the country is tightening its belt, Anthony Bruno is piling on the cheese. In the last three years, the owner of Anthony's Coal Fired Pizza has expanded his pizzerias from eight in South Florida to a big slice of the Northeast that includes New York, New Jersey, Pennsylvania and Delaware. Anthony's now totals 25. And he's not stopping: Bruno plans on continuing to grow in Florida and the Northeast and this year successfully squashed a competing pizzeria in Manalapan that copied his signature dishes. Asked about his success, Bruno, who opened his first restaurant on Federal Highway in Fort Lauderdale in 2002, quipped, "We don't sleep. That's the first thing." Aside from sleepless nights, Bruno concedes his quick growth comes largely from careful planning that included

thorough training of his staff, strategically locating new pizzerias and a solid investment strategy. It didn't hurt that high-end pizzerias like his gained footing, growing just in time to meet a new consumer appetite for better pizza that fit nicely with skinnier wallets. "Typically during bad economic times the pizza segment fares really well due to the price point and it's kind of a communal food in that a large pizza can feed a family," said Jeremy White, editor-in-chief of Pizza Today. But even pizza suffered in this last recession. The trade publication estimated that in the last three years, the number of pizzerias nationally dropped by 10,000. "The sad fact is the overwhelming majority of restaurants fail in the first two years," White said. "In a typical year, about 550 new pizzerias open and about 425 close." So for Anthony's to survive and grow, White noted, "they've beaten the odds." Bruno's restaurant experience dates back to 1982 when he and his father opened Anthony's Runway 84 near the airport in Fort Lauderdale. After two decades, Bruno decided to leap into the pizza business and moved quickly. But carefully. At his first restaurant, Bruno stuck with pizzas baked in an 800-degree coal-burning oven. He eventually added chicken wings, ribs and eggplant, but kept it basic. "If you have too many items, you lose your focus on things and things usually become mediocre and we don't want to be that kind of restaurant," he said. Bruno also attracted Dan Marino as an investor, hitting a sweet spot that connected his market to one of its most beloved heroes (if you've ever listened to local sports radio, you're already familiar with Anthony's). And when he expanded, he moved slowly at first. "We wanted to stay in our backyard in the beginning. I've been in South Florida for 30 years, so myself and my partners, we instinctively knew where to go: Broward County first and then Palm Beach because we were more familiar with them, and then Miami." Once he had his Florida base and a successful track record, he moved into the competitive Northeast and its finicky, seasoned pizza eaters. That move required that he not only have a good product, but a well-trained staff and employment system that would allow the rapid expansion. Bruno estimates he employs between 1,200 and 1,400. His compensation packet, he said, "really brings us good people who want to see growth and grow with us." Revenue has grown from \$19.1 million in 2008 to \$28.6 million in 2009 to \$39.7 million last year. "We kind of bridge the gap between the parents wanting something good and the kids still wanting pizza," he said. " – Source: The Miami Herald.

Hilton Huanying Launches in 13 Countries

Hilton Hotels & Resorts rolls out Hilton Huanying, the new Hilton Worldwide welcome program for Chinese travelers at 51 participating properties in 13 countries worldwide, with a global unveiling at Hilton San Francisco Union Square. Taking its name from the Chinese word for "welcome," Hilton Huanying enables travelers, agents and tour operators to book participating hotels with confidence, knowing the hotels will meet cultural needs and expectations of Chinese travelers. Initially launched by Hilton Hotels & Resorts, the program is available for all Hilton Worldwide hotels prepared to deliver Hilton Huanying service standards. "As the gateway to the Pacific, receiving hundreds of thousands of Chinese visitors annually, San Francisco is honored to be at the center of the launch for Hilton Huanying" Travelers can now visit www.hilton.com/huanying to view a list of participating hotels and following, call their desired hotel directly to request special Hilton Huanying amenities and services in advance of their stays. Visitors to the site can also download recipe cards for traditional Chinese breakfast items now offered at hotels offering Hilton Huanying. "Hilton Huanying leverages our more than two decades of experience in mainland China and direct feedback from our Chinese guests, agents and operators," said Dave Horton, global head, Hilton Hotels & Resorts. "As the growing number of outbound Chinese travelers explores key destinations around the world, they will find a warm, authentic welcome at Hilton." Hilton Hotels & Resorts selected San Francisco as the location for the global launch of Hilton Huanying as the city has long been recognized as a leading global destination for Chinese travelers and is home to one of the largest Chinese communities in the U.S. San Francisco sees a significant number of Chinese travelers to the U.S. annually, and the exponential growth of the Chinese tourism segment is projected to make a significant impact on San Francisco's economy over the next few years. Four Bay Area properties are currently enrolled in Hilton Huanying, including: Hilton San Francisco Financial District, Hilton San Francisco Union Square, Hilton San Francisco Airport Bayfront and Hilton Santa Clara. "As the gateway to the Pacific, receiving hundreds of thousands of Chinese visitors annually, San Francisco is honored to be at the center of the launch for Hilton Huanying," said San Francisco Mayor Ed Lee. "The Hilton Huanying program will bring tourists from Asia to showcase our world class city and support tourism, jobs and the local economy." Hilton Huanying extends authentic experiences with amenities, service standards and dedicated Hilton Team Member training. Beginning today, 51 hotels are welcoming Chinese travelers in destinations popular among Chinese visitors including San Francisco, New York City, Hawaii and Vancouver in North America along with London, Tokyo and Sydney. – Source: EON/Ehotelier.com



Skehan Hired as Popeyes International COO

AFC Enterprises Inc. hired Wendy's/Arby's veteran Andrew G. Skehan as chief operating officer for its Popeyes brand's international division. From 2009 to 2011, he Skehan was chief operating officer of Wendy's/Arby's International. Before that, he was president of Europe, Africa & Middle East for Quizno's Restaurants LLC. Skehan has also worked for Churchill Downs Inc., Nabisco Inc., and PepsiCo Restaurants International. "Andrew is an experienced and enthusiastic international leader who is ideally suited to our company's global expansion plans and our commitment to helping our franchise partners succeed," said Cheryl Bachelder, AFC Enterprises CEO, in a statement. "Andrew has hands-on experience building winning teams and restaurants around the globe; he is a valuable addition to our Leadership Team." – Source: Atlanta Business Chronicle

Boardwalk Franchisees Set to Open 120 Locations

Boardwalk Fresh Burgers & Fries has finalized three new master franchise deals with experienced developers for 100 new restaurants across Northern New Jersey, Alabama, Indiana, and Kentucky. The three new development agents will open a mix of franchised and sub-franchised restaurants in their respective territories. The deals are the latest in a series of large, master Boardwalk territories secured by seasoned multi-unit restaurant developers. Boardwalk Fresh Burgers & Fries currently has nine restaurants in seven US states, and more than 300 additional restaurants in development. The company plans to double its unit count to 18 operating restaurants by the end of 2011. New Boardwalk franchisees Mukesh Banker and Naresh Bhadiyadara have secured the rights to open 30 Boardwalk Fresh Burgers & Fries restaurants in Northern New Jersey. The business partners are also multi-unit franchisees for Dunkin' Donuts and Subway. New Boardwalk development agent Umang Patel has secured the rights to develop 30 Boardwalk Fresh Burgers & Fries units across Indiana and in parts of Kentucky including Louisville and Lexington. Patel is also a multi-unit Subway franchisee. Koti Aluri, a serial entrepreneur with investments in the hotel, financial, and banking industries, has purchased the entire state of Alabama for Boardwalk Fresh Burgers & Fries development. Aluri is also the master franchisee for Boardwalk in North Carolina, and owns one Boardwalk Fresh Burgers & Fries in Springfield, Virginia. In total, the developer will be opening 40 restaurants in Alabama, four additional restaurants in Virginia, and 20 in North Carolina, making him the largest master franchisee in the Boardwalk system. "The Development Agent program is designed for experienced multi-unit restaurant developers who want to grow beyond the limitations of traditional franchise agreements," says Boardwalk Founder and CEO Dave DiFerdinando. "Master franchising is an exceptional wealth building opportunity for entrepreneurs looking to capitalize on the Boardwalk brand and the fast-growing better burger segment." The three new master franchisees join a group of seasoned developers who were also drawn to the Boardwalk Fresh Burgers & Fries master franchise model, including franchisees from Baja Fresh Mexican Grill, Dunkin' Donuts, and Subway, and industry vets including the former CEO of Caribou Coffee and former COO of Jersey Mike's. As of August 2011, Boardwalk Fresh Burgers & Fries has nine area development partners with territories spanning 12 US states. – Source: QSRMagazine.com

Dunkin' Donuts is Rrecruiting Iowa Franchisees for Expansion. Dunkin' Donuts is Planning to Grow its Brand in Iowa.

The company, which sells doughnuts, bagels, muffins and coffee drinks, is seeking franchisees for its Des Moines and Sioux City markets. Franchisees for the Cedar Rapids and Quad Cities markets have already been signed. The

four market areas cover the state. “We are in the process of recruiting in the Des Moines market,” said Grant Benson, vice president of franchising and marketing for Dunkin’ Brands, the parent company of Dunkin’ Donuts. “We are actively recruiting but we don’t have anyone signed yet.” Benson said the company is looking for franchise commitments for four or five stores each, to open over a six-year period. The company is planning to add about 20 locations in the Des Moines market, which covers a 35-county area that runs from Minnesota to Missouri and covers about one-third of the state. Another five locations will go into the Sioux City market and 12 are planned for the Cedar Rapids market. The first Iowa location opened in December 2010 in Davenport by franchisee OHM Food LLC, owned by Sam Patel, who signed in 2009 as the franchisee for the Quad Cities Market. The Davenport restaurant includes a Baskin Robbins, which is also owned by Dunkin’ Brands. Reif Oil Co., a fuel distributor with retail stores in southeast Iowa, has the franchise for the Cedar Rapids market. Its first store is expected to open in 2012 and other will likely open with the following seven years, Benson said. Dunkin’ Donuts, founded in 1950 and headquartered in Canton, Mass., has been implementing a growth strategy that includes entering new and expanding existing markets. As of March 2011, it had more than 9,800 restaurants in 31 countries, including about 6,800 U.S. locations in 36 states and the District of Columbia. – Source: DesMoinesRegister.com

LB-Born Yard House to Open Eight Locations in Next Year

The expansion, which has continued at a strong pace following a sale in 2007 by its founders of 70 percent of the operation to private equity firm TSG Consumer Partners out of San Francisco, is part of the chain’s plans for continued future growth, according to Founder and Chairman Steele Platt. Platt said the next steps in Yard House’s growth as a company are at hand. “We’re getting close to the next step, which is reacquisition or go public,” he said. Despite the down economy, the performance of the private Irvine-based company as a chain and that of its individual locales has remained strong throughout the years, Platt said. “We’ve been growing ever since we started and we never stopped,” he added. Yard House, which boasts the “world’s largest selection of draft beer,” early this year announced it will open a location in Westchester County, New York in October. That will be followed by a location in Virginia at the Town Center in Virginia Beach in November, and Yard House will add another California location in December. The new location, opening in Fresno, brings the California count up to 17. Yard House will open five locations in 2012 starting in March with its second Massachusetts location at Fenway Triangle in Boston. In April, the company will open in Georgia at Atlantic Station in Atlanta, and in May it will open its third Colorado location in Lone Tree, 30 miles south of Denver. The company will open its first Pacific Northwest location in June at Pioneer Place near downtown Portland, Ore., and Yard House will open its fourth Florida location next summer at Mizner Park in Boca Raton. “We have been expanding an accelerated, but comfortable rate,” Harald Herrmann, president and CEO of Yard House Restaurants said in a statement. “We will continue to focus our expansion efforts into new markets, continue branding the Yard House concept, recruit new employees while promoting from within, and carry on with our philosophy of giving back to the communities that have been so supportive of us.” Platt, who opened the first Yard House in Shoreline Village in 1996, said that when he returns to the Long Beach location “it’s like it just opened yesterday.” He added, “The Long Beach site has always been in the top five in the chain.” – Source: Long Beach Post.



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