



October 3, 2011

Yum Inks Deal to Sell Long John Silver's, A&W

The operator of the Taco Bell, KFC and Pizza Hut fast-food chains said that it has found buyers for its Long John Silver's and A&W Restaurant chains. Yum Brands Inc., based in Louisville, put the brands up for sale in January, saying the move will help it focus on international business, where it has seen dramatic growth. Yum said Long John Silver's is being bought by LJS Partners LLC, led by a group of franchisees and other investors, and A&W is being bought by A Great American Brand LLC, which is led by one major franchisee. The company didn't disclose the financial terms of the deals. Yum Brands said in January that Long John Silver's and A&W All-American Food restaurants do not fit into its long-term strategy. It acquired the two chains in 2002 for \$320 million. They have a minimal presence outside the U.S. and no sites in China, a critical market for Yum. A&W Restaurants, named after the initials of its two founders, started as a root beer stand in California in 1919. Today there are more than 600 A&W restaurants in the U.S. and abroad. Long John Silver's, a 40-year-old seafood chain, had almost 1,000 locations worldwide at the end of 2010. There were almost 38,000 Yum Brands restaurants around the world at the end of 2010. KFC is its largest chain, with more than 16,000 restaurants, about one-third in the U.S. There were more than 13,000 Pizza Huts, about half in the U.S. And there were about 6,000 Taco Bell Restaurants, most in the U.S. – Source: The Associated Press

Starbucks Corp. Plans Major Expansion in Germany, CEO Howard Schultz Announced

The number of German coffee shops will be "doubled or tripled" in coming years, he told German daily Handelsblatt. Starbucks' German presence is relatively modest although Germany is one of the world's leading coffee drinking countries. Starbucks has only 150 German coffee shops against 180 in Manhattan alone and a 17,000 branch global network, the report said. Starbucks is considering more local purchases of bakery products and other food in Germany closer to local tastes, Schultz told the newspaper. Details would be given in the coming 12 months. Starbucks, which generates about 20 percent of its revenues from international markets, in July announced a reorganization to achieve its goals of generating half of revenues outside the U.S. Asked by Handelsblatt about the state of Starbucks' European business, Schultz said: "Our business in Europe is still relatively healthy. In Germany the business is running good." "But we can see very well that the world is currently very fragile and we are considering very carefully where and how we expand." "In the next 12 months we will largely concentrate on Asia." – Source: Reuters.

Bank of America to Sell Stake in Pizza Hut Franchisee for \$800 Million

Bank of America Corp. is in exclusive discussions to sell its stake in the biggest U.S. Pizza Hut franchisee, to two private-equity firms, for more than \$800 million, Bloomberg said citing two people with knowledge of the talks. The buyout firms are jointly bidding for NPC International Inc., which operates 1,140 Pizza Hut restaurants, according to Reuters. BofA spokesman Jerry Dubrowski declined to comment, while NOC chief financial officer Troy Cook didn't return messages seeking comment, Reuters said. – Source: Boomer.com/Reuters.



Quiznos Coming to Vermont Convenience Stores

Quiznos announced a partnership with Vermont-based convenience and gasoline retailer, Champlain Farms, to open Quiznos restaurants inside Champlain Farms' 40 locations. The partnership is a significant milestone in the company's convenience store growth strategy and demonstrates a continued commitment to partner with strong, regional convenience store operators for success in the convenience store channel. "As a locally-owned company, Champlain Farms brings unparalleled insight into the region and the local convenience customer," says Shultz Hartgrove, senior vice president of convenience and non-traditional development for Quiznos. "This local expertise, combined with exceptional operations, made Champlain Farms the ideal partner to extend our convenience store offering and best meet regional needs in the northeast. The partnership with Champlain Farms marks the continued success of our convenience store growth strategy." The new Quiznos restaurants will be in Champlain Farms locations throughout Vermont, situated in highly frequented locations such as colleges and universities, interstate exits, and tourism destinations. The initial launch will include 10 locations, the first of which is set to open next month. Plans call for further expansion to all 40 Champlain Farms convenience store locations in the future. "The Quiznos brand and distinctive, flavorful menu was a perfect fit for our foodservice needs," says Dave Simendinger, president of Champlain Farms. "We are proud of our commitment to quality and sought a strong quick-service partner to complement our strong convenience stores. We know Champlain Farms customers will be attracted by Quiznos' brand recognition and appetizing menu." The Quiznos/Champlain Farms convenience locations will feature a menu tailored for the convenience store customer and retailer, including Quiznos' signature toasty favorites and hot breakfast items prepared and packaged to eat on the go. Quiznos' convenience menu was developed based on consumer and partner feedback, allowing Quiznos and its convenience partners to be relevant to customers throughout all dayparts, which is critical in the 24/7 convenience store space. The partnership between Quiznos and Champlain Farms is the most recent in a series of successful partnerships and store openings in Quiznos' convenience store development strategy. Through its convenience development initiative, Quiznos has opened more than 200 convenience store locations in 2011 and established partnerships with convenience industry leaders, including HESS, Mapco, Champlain Farms, and others, with continued growth planned. – Source: qsrmagazine.com

Two Eateries on Menu for Passion Food

The men behind Passion Food Hospitality — Gus DiMillo, David Wizenberg and Jeff Tunks — pride themselves on knowing how to pick a good corner. First there was 14th and K streets NW, where in 1998 they opened popular downtown haunt, DC Coast. Then two years later, Asian-themed TenPenhd sprung up on 10th Street and Pennsylvania Avenue NW, followed by Ceibaon 14th and G Streets NW. For their latest venture, they have taken the corner of Pennsylvania Avenue and 23rd Street NW, right off Washington Circle, for sister concepts District Commons and Burger, Tap and Shakes (BTS). "With the corner we have, the proximity to the university and all that's down here, we wanted to execute a concept to distinguish ourselves in the market," Tunk said above a cacophony of drilling and hammering at the Foggy Bottom site two weeks ago. The 10,000 square-foot space is wrapped in floor-to-ceiling windows and divided into two spaces. BTS, with its graffiti mural of George Washington, plays the funky little sister to the more sophisticated District Commons, with its private party rooms. Connected by a hallway, the two share a kitchen. Much of the work was focused on the larger District Commons, a classic tavern with an open hearth oven, raw bar and 20 microbrews on tap. Entrees range from \$13 to \$23. The dining room will seat up to 180 people, while another 60 people can cozy up to the bar once the space is completed in early October. About 85 percent of the wait staff from TenPenh has been placed in other Passion Food Hospitality

restaurants, including District Commons and BTS. Wizenberg said the group took a financial hit in closing the restaurant, though he declined to give a figure. Passion Food had a little less than 10 percent sales growth in the past year. Not record revenue, but illustrative of the market's resilience through a rocky recovery, Wizenberg said. – Source: The Washington Post.

Sizzler Steakhouse Chain Plans Chicago Return

Sizzler is mapping a return to Chicago. Culver City, Calif.-based Sizzler USA says it wants to open 18 restaurants in the Chicago area over the next five years, with the first location slated to open within the next 18 months. The expansion is part of a nationwide effort by the company to breathe life into a brand that, until recently, has done more fizzling than sizzling, with just 179 of the original Sizzler outlets still open; none is in Chicago. “We think we've now got the whole package,” Sizzler CEO Kerry Kramp said. “We feel like we can go back into the markets in a much more strategic and disciplined fashion.” Although Sizzler is just starting to scout franchisees and locations, Mr. Kramp said a goal is to recycle as many vacant restaurants as possible, including shuttered Sizzler locations in Naperville, Crystal Lake and Gurnee. This summer, Sizzler USA, a group led by Mr. Kramp, acquired the company from Australia's Pacific Equity Partners, a move that shifts the spotlight back on the U.S. Unlike other restaurants such as sandwich chains Cosi Inc. of Deerfield and Denver-based Quiznos, Sizzler has actually benefitted from the shaky economy, with three consecutive years of same-store sales increases. “Sizzler started to do better because they represent a very strong value,” said Darren Tristano, executive vice-president of restaurant consultancy Technomic Inc. in Chicago. “They're focusing not on maintaining the brand, but on refreshing, reinventing and regrowing the brand.” Sizzler once had 15 restaurants in metro Chicago, all of which closed after the company filed for Chapter 11 bankruptcy protection in 1996, a victim of overexpansion. Both Messrs. Kramp and Tristano said familiarity should help Sizzler reenter Chicago's competitive market, where it will take on other country-style chains like Raleigh, N.C.-based Golden Corral Corp. and Old Country Buffet, owned by Eagan, Minn.-based Buffets Inc. “I think there will be an element of nostalgia associated with the Sizzler brand,” Mr. Tristano said. “As a result, I think that's a positive for the brand because the nostalgic crowd — millennials and boomers — are likely to give it another try.” Sizzler also is eyeing expansion into Denver, Minneapolis and St. Louis. – Source: Crain's Chicago Business.

Texas-based chain Dickey's Barbecue Pit signs three franchise agreements for SLO County

Family-owned firm signs franchise deals for locations in SLO, Paso and Arroyo. Texas-based chain Dickey's Barbecue Pit has signed franchise agreements for locations in San Luis Obispo, Paso Robles and Arroyo Grande. The chain is known for its pit-smoked meats, sandwiches, homestyle side dishes and complimentary ice cream, according to a news release. It also offers catering. Dickey's opened in 1941 in Dallas, began franchising in 1994, and is still owned and operated by the Dickey Family. Dickey's Barbecue Restaurants Inc. plans to open more than 40 more franchise locations across the nation in 2011, putting its year-end target at a total of 200 restaurants. The company has had a 35 percent average growth rate in the past two years, according to its website. The company is finalizing leases on specific locations in the county, according to a Dickey's representative. – Source: sanluisobispo.com.

Famous Dave's to Start Selling Ribs Internationally

Famous Dave's of America Inc. said it is opening its first location outside of the United States. Minnetonka-based Famous Dave's said in a news release that it has awarded a multi-unit franchise to Famous Ribs of Canada Ltd., a subsidiary of Tribal Councils Investment Group of Manitoba Ltd. (TCIG). The franchisee expects to open its first restaurant in Winnipeg, Manitoba, in June 2012, the news release said. Famous Dave's CEO Christopher O'Donnell said the company has considered international deals in the past, but this was the first one that fit with its business plans. “TCIG brings to the table a highly experienced management team in both the restaurant industry as well as business in general. They are well established in the Canadian market,” O'Donnell said in a statement. TCIG also owns and operates a master franchise of Wok Blox, an Asian quick-service family of restaurants, the news release said. Famous Dave's is the latest Minnesota-based restaurant chain to expand to Canada. Golden Valley-based Buffalo Wild Wings Inc. opened its first location outside of the United States in

May, with the opening of a restaurant outside of Toronto. – Source: The Minneapolis / St. Paul Business Journal

Marc A. Buehler Named President of O'Charley's

O'Charley's Inc. has named Marc Buehler president for O'Charley's, one of three restaurant concepts operated by the Nashville-based company. The announcement comes after last month's resignation of Wilson Craft, who left the position to pursue other opportunities. From November 2009 until June 2011, Buehler was president and CEO of Kona Grill Inc. Earlier he served as CEO of LS Management Inc., the operator of The Lone Star Steakhouse & Saloon and the Texas Land & Cattle Steak House. The following are excerpts from O'Charley's news release: O'Charley's Inc. President and CEO David W. Head remarked, "Marc Buehler has an outstanding reputation as a result of his demonstrated capabilities in all aspects of leading a restaurant concept, as well as a strong commitment to deliver memorable dining experiences through outstanding food and superior service. We are confident of Marc's ability to contribute significantly to our ongoing work of returning the O'Charley's concept to a path of long-term profitable growth and development." Consistent with the Company's philosophy of aligning the interests of its management with those of its shareholders, the Company has granted Mr. Buehler stock option awards for an aggregate of 100,000 shares of the Company's common stock that will cliff vest after three years. – Source: Nashville Business Journal.

Souper Salad, Grandy's Restaurants in Bankruptcy

The company that owns the Souper Salad and Grandy's restaurant chains has filed for Chapter 11 bankruptcy protection in Delaware. SSI Group Holding Corp. said it has tried to cut costs, including closing underperforming restaurants, but was unable to overcome cash flow problems or obtain working capital in what it said was a difficult economic environment for the restaurant industry SSI's secured lenders declared a default in June, and the company said its restaurant closings have resulted in lawsuits being threatened or filed. As of January, the Texas company had 146 restaurants in 14 states. SSI Group listed assets of about \$24 million, and liabilities of about \$47 million. – Source: The Associated Press.

Souplantation Touts its Green Credentials

The San Diego-based company that owns the Souplantation restaurants has officially gone "green," implementing a number of changes to reduce waste, boost recycling, decrease energy use and serve food on reusable dishes. The Green Restaurant Association, which has been certifying dining establishments as environmentally sustainable for the last two decades, announced Wednesday that the Souplantation and Sweet Tomatoes restaurants represent the only national chain in the country to have all its eateries meet the association's rigorous certification standards for minimizing their impacts on the environment. Over the last two years, Garden Fresh Corp., the parent company for Souplantation and Sweet Tomatoes, has been making changes in each of its 120 outlets to help earn it the 100 points needed to get a two-star certification from the association. The nonprofit offers three- and four-star certifications as well. Souplantation has converted to energy-efficient lighting, purchased 100 percent recycled dispenser napkins, installed low-flow pre-rinse spray valves, and offers a high percentage of vegetarian food items, which require less energy to process and distribute than meat products. With those changes, the Green Restaurant Association estimates Garden Fresh will save 2.1 million pounds of waste, 7.5 million gallons of water, 4.4 million kilowatts of energy and 3,194 cubic yards of landfill space. "This is not a quick certification scheme. They've gone through a significant, transparent process," said Michael Oshman, CEO of the Green Restaurant Association. "Other chains are doing one or two locations, but this is the first restaurant company that's jumped in with both feet and has actually accomplished that commitment (to certify all its locations)." To date, the association has certified 400 restaurants across the country, of which 18 are in San Diego, including the Souplantation eateries and Burger Lounge, George's At the Cove and Croce's Restaurant and Jazz Bar. Garden Fresh CEO Michael Mack declined to say how much money his company invested in the greening of his restaurants but said it's significant. He acknowledged that a commitment to sustainability can go a long way toward boosting traffic at the restaurants. "We think it influences people's decisions on the margins to come to the restaurant," he said. "If people have a better feeling about the brand, they'll come back more often, they'll be more comfortable with price increases and more willing to talk about the experience with their friends, which is the most powerful way to promote a restaurant." So why aren't more

restaurateurs making the effort to seek a certification from the Green Restaurant Association. "I think they know it's important but don't think they have the guts to commit to it," said Mack. "I think every CEO in the restaurant industry will be insanely jealous of me." – Source: Souplantation.

Hyatt Becomes Church's Chicken CEO

Church's Chicken hired fast-food restaurant veteran Jim Hyatt as CEO. He replaces Mel Deane, who was CEO since December 2009. Hyatt recently was president and CEO of Così Inc., a fast-casual dining company. Before that, he spent 16 years as an executive and franchise owner at Burger King Holdings. Hyatt was recruited to Burger King corporate after becoming an award-winning Burger King franchisee in the Atlanta market for 11 years. Atlanta-based Church's runs more than 1,200 restaurants in 23 countries. It generates about \$1.2 billion in annual sales. – Source: Atlanta Business Chronicle.



La Madeleine Details Plans for Franchise Expansion

La Madeleine Country French Café announced that it would start franchising the concept throughout the United States, while continuing to grow company-owned stores. The company currently owns and operates 60 cafes in Texas, Louisiana, Atlanta, and Washington, D.C. "After nearly three decades of proven experience, the time is right to take la Madeleine to the next level and bring our distinct Country French bakery-café experience to more guests across the country," said Phil Costner, president and chief operating officer, in a statement. Costner was appointed to the empty president position earlier this month. The company also said it has redone the design of the restaurant to be more efficient. The signature menu items will remain said Chris Cheek, vice president of franchise development for Le Duff America, la Madeleine's parent company. "We've modified the service system a bit, where the guest goes through and where they order," said Cheek. "We've streamlined that and made it very clear to the guests." Cheek said the company has also worked to reduce the size of the kitchen, allowing the company to, "build a la Madeleine in it's full French country café look and feel in a location that's smaller, while not eliminating any seating in the dining room." The 3,500-square-foot prototype will be revealed at la Madeleine's NorthPark Center location this fall. New features also include new menu boards, a theater-style bakery and more retail offerings. Future company owned locations in Tulsa, Okla., Silver Spring, Md., and McLean, Va. are also planned. While sizes vary on the current locations, Cheek said reducing the average size from 5,000 square feet to 3,500 square feet allows la Madeleine to get into more economical real estate, like end caps. While there are no franchisees signed yet, Cheek said the company has seen a lot of interest. "We do have a very strong amount of unsolicited inquiries that we are vetting," Cheek said. – Source: The Dallas Business Journal.

Don Shula Launches Burger Chain

Hall of Fame National Football League coach Don Shula is launching a fast-casual restaurant chain, Shula Burger. The "gourmet burger" chain will offer wine pairings, salads and chicken sandwiches, as well as burgers, shakes and fries. The first location will open in Islamorada, Fla. (on the Keys), by year's end. Other locations in the state are planned for Fort Lauderdale, Delray Beach, Kendall, Orlando and Tampa. Shula, who has been in the restaurant business since 1989, has 34 full-service restaurants nationwide, including Shula's Steak House and Shula's 347 Grill. – Source: Marketing Daily.

Cracker Barrel Old Country Store, Inc. Adopts Shareholder Rights Plan with Qualifying Offer Exception

The Board of Directors of Cracker Barrel Old Country Store, Inc. adopted a shareholder rights plan with a qualifying offer exception and declared a dividend distribution of one preferred share purchase right on each outstanding share of Cracker Barrel common stock. The plan will terminate unless approved by shareholders at the company's upcoming 2011 annual meeting and does not apply to all-cash, fully financed tender offers open for at least 60 business days. Michael A. Woodhouse, Executive Chairman of Cracker Barrel Old Country Store, Inc., stated, "The Board's action is in response to Biglari Holdings' clearance under the Hart-Scott-Rodino Act to acquire up to 49.99% of Cracker Barrel's common stock, and the resulting threat that Biglari Holdings could accumulate a substantial, and potentially controlling, position in Cracker Barrel through market purchases that do not reflect a control premium offered to all shareholders. We intend to put this rights plan to a vote of our shareholders at our December shareholder meeting and believe it is important to protect the interests of our shareholders in the near-term. "The shareholder rights plan is designed to assure that all of Cracker Barrel's shareholders receive fair and equal treatment in the event of any proposed takeover of the Company and to guard against abusive tactics to gain control of Cracker Barrel without paying all shareholders a premium for that control." The rights would not interfere with all-cash, fully financed tender offers for all shares that remain open for a minimum of 60 business days ("qualifying offers"). The rights plan is effective immediately and, if approved by shareholders, will expire on September 22, 2014. If shareholders do not approve the rights plan, it will expire immediately following the 2011 annual shareholders' meeting. – Source: Cracker Barrel Old Country Store.

Al Hodges Latest Industry Vet to Join Fazoli's

Former Dunkin' Brands exec Al Hodges named vice president of operations as chain launches expansion program. Mr. Hodges, a 30-year foodservice executive, has been appointed vice president of Operations at Fazoli's. Hodges joins the company from Dunkin' Brands, where he was regional vice president, responsible for more than 4,000 restaurants. In his new position, Hodges will oversee all company and franchise operations. Fazoli's, which currently operates or franchises more than 220 restaurants, is expanding, with several company and franchised units scheduled to open in 2011. "Al's experience extends to every aspect of company and franchise restaurant operations, and we are very excited to have another very seasoned and accomplished executive join the Fazoli's leadership team," said Carl Howard, president and CEO. Hodges also served as president of the Southern Division of RTM Arby's, including Mrs. Winners, and vice president of Marketing for Cinnabon. Before that, he was director of Food Operations for Target Stores. "Fazoli's is making a remarkable comeback, which is one of the reasons I joined the company," Hodges said. "I'm looking forward to helping both franchise and company restaurants achieve higher performance levels through a greater focus on strategic planning and unit-level execution." Hodges joins Fazoli's as the premium Italian QSR chain completes a turnaround and enters a growth phase. The company has posted more than 12 months of same store sales increases for both franchise and company-owned units. It has completed a brand repositioning that includes an all-new menu, the introduction of table service and a new prototype design. – Source: *Fazoli's*.

El Pollo Loco, Inc. Names Heather Gardea Vice President of Research & Development

El Pollo Loco, Inc. announced the appointment of Heather Gardea, 22-year culinary veteran to the position of vice president of research & development. Gardea will oversee menu development and the overall culinary direction and strategy for El Pollo Loco. Gardea built her career in the Southern California market, where she has consistently delivered unique and innovative products with high flavor profiles. Gardea brings a wealth of food service experience to the role, most recently as vice president of food & beverage and vice president of marketing at Catalina Restaurant Group, Inc., parent company of Coco's Bakery Restaurants and Carrows Restaurants. In her new role, Gardea will provide leadership to the research and development team, continue to reinforce El Pollo Loco's commitment to delivering feel-good food with a kick, and ensure the consistent delivery of high-quality and innovative menu items. "Heather is a results-oriented, passionate executive who possesses the perfect blend of strategic insight, initiative and focus to take our culinary team to the next level," said Steve Sather, President and CEO of El Pollo Loco, Inc. – Source: El Pollo Loco, Inc.

O'Charley's Inc. Appoints Marc Buehler as O'Charley's Concept President

O'Charley's Inc. announced the appointment of Marc A. Buehler as Concept President for *O'Charley's*, effective September, 16, 2011. Buehler brings an extensive and successful record of accomplishments in the casual dining industry to *O'Charley's*. Most recently, he was President, CEO and a director of Kona Grill, Inc., serving from November 2009 until June 2011. Previously, he served as CEO of LS Management, Inc., the operator of two restaurant concepts with a total of nearly 200 locations: *The Lone Star Steakhouse & Saloon* and the *Texas Land & Cattle Steak House*. In addition, Buehler was also with Romacorp, which operated or franchised over 200 *Tony Roma's*, joining the company as Vice President of Marketing and rising to President, CEO and director. O'Charley's Inc. President and CEO, David W. Head remarked, "Marc Buehler has an outstanding reputation as a result of his demonstrated capabilities in all aspects of leading a restaurant concept, as well as a strong commitment to deliver memorable dining experiences through outstanding food and superior service. We are confident of Marc's ability to contribute significantly to our ongoing work of returning the *O'Charley's* concept to a path of long-term profitable growth and development." – Source: **O'Charley's Inc.**

Domino's, Ave Maria Guru Tom Monaghan Starting Gourmet Burger Delivery Business

He founded Domino's Pizza. He owned the Detroit Tigers. He started Ave Maria University and built a town around it. What's next for Thomas Monaghan? At 74, he's pursuing a new dream, going back to his roots in the delivery business. This time, it will be gourmet hamburgers, not pizza, that he will bring to the doorstep. He points out that Ray Kroc – the man who built the McDonald's restaurant empire – was 52 when he jumped into the burger business and that Harland David "Colonel" Sanders – the man behind Kentucky Fried Chicken – didn't start actively franchising his chicken business until he was 65. "And my doctor tells me I have the arteries of someone who is 55," Monaghan said with a boyish grin. He will open his first store near a Starbucks off U.S. 41 in downtown Naples – at 51 Ninth Street South a few blocks north of Fifth Avenue South. The last business there sold Italian ice. Last week, Monaghan applied for a building permit. He hopes to open the store within two months, as the busy winter season kicks into gear in Southwest Florida. The store is 800 square feet. It could become the prototype for a national – or even international – franchise. "Hamburgers are more popular than pizza," Monaghan said. "My bag is delivery. So I thought I had something there." That "something" has been floating around in his entrepreneurial brain for years. "This hamburger idea I'm excited about," he said. "But there's no guarantee it's going to work." He's used to challenges. In his life, he's had plenty of them, beginning in his childhood when he moved in and out of foster homes and orphanages in Michigan. Domino's wasn't an overnight success, at times bringing him to the edge of bankruptcy. His young university east of Naples – and the town he built around it – is growing, but not as fast as he would like. He has poured more than \$300 million of his own fortune into Ave Maria, the university and the town. In March, Monaghan handed off his day-to-day role as CEO of Ave Maria University, but he's still the chancellor. Any profits from his new business will go back into the university, he said. "Everything I'm doing is for Ave Maria," he said. "My days of airplanes, yachts and expensive cars are over." He calls his new venture Gyrene Hamburger. The name gyrene is given to Ave Maria's sports teams. It's a nickname for a Marine, thought to have come from a combination of "GI" and "Marine." "History is one big battle between good and evil," said Monaghan, a Naples-area resident. "At Ave Maria, we want to create warriors for good." In the 1950s, Monaghan spent three years in the Marine Corps. Suiting its name, the new hamburger business will have a warrior-like feel. Employees will wear camouflage uniforms and the store, he promises, will be as spotless as barracks. The drivers will be known as gyrene joggers and the managers will be captains. There will be an extensive training program, called the burger boot camp. "Everybody is going to be referred to as sir or ma'am," Monaghan said of his customers. "Then we're going to salute you, and you're going to be on your way." No surprise, he's already thinking about growing the business. "We will franchise, but not immediately," a confident Monaghan said. "This first store is a test. If there's anyone who knows how to grow an organization it's me." He thinks the business could be even bigger than Domino's one day, with 6,000 stores in the U.S. alone, and that many or more in the rest of the world. He's kept the new concept simple, based on what he learned from past mistakes at Domino's, which he sold in 1998 after building it into a vast pizza empire with more than 6,000 stores. He sold Domino's to focus on building Ave Maria University, which he founded in 2003. Gyrene Hamburger will only sell hamburgers, which will make the operation run more efficiently and speed delivery. There will be no sides and no drinks. There will be two hamburger choices, with each burger costing a little less than \$6. Asked how he would compete with the big hamburger chains, like McDonald's and Burger King, he said: "Our edge is delivery." His idea for a burger delivery business has been

closely guarded. He's only shared it with family and a few close friends, until now. Monaghan's goal is to deliver the burgers in 15 minutes or less. Domino's Pizza used to have a 30-minutes-or-less delivery guarantee, but dropped it after discovering the policy caused its drivers to get into more traffic accidents. In the burger business, Monaghan will focus on safety. "The speed will be in the store, not on the road," he said. "It's going to be a real gung-ho atmosphere." He expects the store to have 10 to 12 drivers and a half-dozen workers inside. – Source: naplesnews.com

CEC Entertainment Announces the Appointment of Scott A. McDaniel as Chief Marketing Officer

CEC Entertainment, Inc. announced the appointment of Scott A. McDaniel as Executive Vice President, Chief Marketing Officer. In this role, Mr. McDaniel will lead all aspects of marketing, public relations, guest relations and showroom entertainment for CEC Entertainment. Mr. McDaniel will join the Company on or about October 24 and report directly to CEC Entertainment's President and Chief Executive Officer, Michael H. Magusiak. Mr. McDaniel will be based at CEC Entertainment's headquarters in Irving, Texas. Mr. McDaniel joins CEC Entertainment from PepsiCo, Inc. where he most recently served as a Vice President and was responsible for Frito Lay North America's largest customer, Walmart. Mr. McDaniel has progressed through PepsiCo's organization since 1996, holding various sales and marketing leadership roles with some of PepsiCo's largest food and beverage customers, including YUM! Brands and 7-Eleven. Mr. McDaniel also served as a Regional Vice President and was responsible for Frito Lay North America's largest field sales unit during his tenure with PepsiCo.

"We are extremely pleased to welcome Scott to the Chuck E. Cheese's executive leadership team," said Mr. Magusiak. "Scott brings to CEC Entertainment invaluable insight, industry expertise, dynamic leadership skills and a proven track record in brand management and strategic marketing initiatives. Scott will be a key member of our executive leadership team as we continue to develop and grow the Chuck E. Cheese's brand both domestically and internationally," said Mr. Magusiak. Mr. McDaniel stated, "I am extremely excited to join the Chuck E. Cheese team and to have the opportunity to build upon the success of such a well recognized brand that brings so much enjoyment to children around the world. I look forward to working with our team to enhance the relationship that we have with our guests while continuing to identify the most creative ways to deliver wholesome entertainment, great food, and comfortable environments where families can have fun together." – Source: **CEC Entertainment, Inc.**



Häagen-Dazs Plans Expansion in Philippines

Premium ice cream Häagen-Dazs, a unit of US-based global food giant General Mills Inc., has unveiled plans to expand more rapidly in the Philippines, particularly by making use of the franchising route. In a press statement, Häagen-Dazs regional marketing director Trevor Pickard said local General Mills subsidiary HD Marketing and Distribution Philippines Inc. would spearhead the expansion program, which was meant to double the company's ice cream shop network in Metro Manila through franchising as well as the opening of company-owned outlets. The company is initially looking at adding five to 10 more Häagen-Dazs shops to the existing 10 shops in the metropolis, said Häagen-Dazs shop operations manager Vega Atienza. But the greater focus would be to tap business partners for franchising, she said. "Häagen-Dazs created the luxury ice cream market and we're now gearing up to bring this premium indulgence closer to our patrons by opening more shops throughout Metro Manila," Pickard said, adding that this was part of an Asian rollout program. Atienza said Häagen-Dazs would continue to target shopping malls frequented by its target market: dynamic young professionals and families. "Our shops can be presented in various formats to deliver the best Häagen-Dazs experience to consumers. Outlets can be a full-menu café, a dip-shop or kiosk, to as small as a FISO (fit-in, stand-out) stall," she said. Atienza said café outlets could offer up to 24 flavors

of super-premium ice cream, an extensive selection of indulging ice cream creations and cakes as well as invigorating beverages. Dip shops or kiosks will primarily serve take-away items, but can also carry the same range of flavors and cafes. On the other hand, FISOs will be serving only pre-packed items such as stickbars, minicups and pints. "While our products are top shelf ice cream creations, the cost of opening a Häagen-Dazs outlet is actually not prohibitive," said Atienza who explained that franchise costs were comparable to those of many fast-food chains. – Source: Philippine Daily Inquirer.

South East Europe Shows Potential in Spite of General Economic Woes

Horwath HTL, the world's largest hotel consulting network, hosted a round table discussion on Investment Opportunities in South East Europe, under the heading "The Mediterranean/Southern European Track, a Focus on the Balkans. The round table, which was led by Dr Miroslav Dragicevic, Senior Partner Horwath HTL Croatia, Serbia and Bulgaria and Kristian Sustar, Executive Director, HUP Zagreb d.d was part of the inaugural Hotel Investment Conference Europe, organized by Burba Hotel Networks. The discussion focused on whether the region was an economic black hole, or whether there was emerging potential to be exploited. Dr. Dragicevic, an industry veteran of over 40 years experience, presented the challenges and opportunities facing the region. The challenges are well documented and shared by a great number of other countries in and around the Eurozone, namely high foreign debt, slow recovery of 1-3% estimated and few local business players with global or regional ambitions. However, this has not stopped significant developments being undertaken in the region, with Global Hotel Chains, most noticeably Hilton, developing properties in the region. In fact, there are currently 60 hotel deals in negotiation with 20 having already being concluded with Banks acting as the major agent for hotel brands. Dr. Dragicevic went on to outline the major projects under development or completion in the region with projects in Greece, Serbia, Croatia, Montenegro, Romania, Bulgaria and Macedonia all proceeding. Mr Dragicevic said "The South East of Europe has quietly continued to present opportunities for investors with imagination and a long term strategy. Against a backdrop of constant negative economic news, developers and developments have continued to proceed and there are indications of other international brands following Hilton into the region. The lack of supply in the upscale hotel market and a management contacting culture that has yet to be fully developed are opportunities as brands inevitably will look for in areas outside of primary, secondary and even tertiary markets in Europe that have achieved saturation. The risks involved should not be downplayed, but the requirements for sustainable long term growth are in place" -- Source: Horwath HTL.

YO! Sushi Set to Make U.S. Debut

YO!Sushi, a sushi brand based in the United Kingdom, has announced its first franchisee in the U.S. granting the rights to open 10 restaurants in the Mid-Atlantic corridor between Washington, D.C. and Philadelphia. The Sushi Company of North America, led by Richard Pawlowski, will open the first location in Washington, D.C.'s Union Station in early 2012. "We have had many approaches from all sorts of companies in the U.S. over the years, but have held out for an outstanding partner with the operational and financial capability to grow at a pace," said Robin Rowland, YO!Sushi's CEO. "We are also in discussions with several other highly qualified franchise partners for other U.S. territories." YO!Sushi first opened in London in 1997 and introduced the concept of a Japanese "kaiten" sushi bar that gave on-the-go customers instant access to sushi rolls, sashimi, Asian-inspired salads and a large variety of classic Japanese dishes on color/price-coded dishes via a sleek, snaking conveyor belt. Pawlowski's companies own 36 franchised fast casual restaurants along the Eastern seaboard (11 Qdoba Mexican Grills, 13 Cosi's and 12 Bugaboo Creek Steak Houses). Pawlowski has teamed up with Darren Wightman, who will serve as operating partner for YO!Sushi. Wightman was formerly the Executive Chef for YO!Sushi in the U.K. and subsequently oversaw 14 restaurants as operations manager. "We are thrilled to be the first YO!Sushi franchisee in the United States. The first time I ever tried sushi it was from YO!Sushi in London and I really loved the food," Pawlowski said. "I'm confident that the YO!Sushi brand will take off in D.C. and in the rest of the U.S." YO!Sushi operates more than 56 company-owned restaurants in the U.K., as well as more than a dozen franchised locations in Ireland, Portugal and the Middle East. The company is focused on the East Coast and other major markets such as Chicago, Dallas and Miami for initial U.S. Expansion. – Source: FastCasual.com.



Naked Pizza Readies for NYC Debut

Naked Pizza will open its first New York City area outlet next week, according to Robbie Vitrano, one of the chain's founders. The store will be located in Midtown on 57th Street and 3rd Avenue. The New York Post also reported that Naked Pizza has also signed a lease at 150 E. 14th St. The tri-state area franchisee for Naked Pizza is JKB Hospitality Group. According to Naked Pizza's Facebook page, the chain is also set to open a unit in Ewing, N.J., and in Coral Gables, Fla., in October. The New York opening next week will be the 14th for Naked Pizza, which has currently has 12 units in the U.S. and one in Dubai. The company plans to open up to 400 global restaurants within five years. – Source: PizzaMarketPlace.com.

Saladworks Turns 25, Reflects on Success

It started as a simple idea: provide fresh, healthy, made-to-order, entrée-sized salads as an alternative food offering for customers on the go. Saladworks Chairman and CEO John Scardapane developed the concept while working as a chef at a southern New Jersey country club. He took the idea to the Cherry Hill Mall in New Jersey and was told “a salad-only store would never survive.” The mall later agreed to the store, but with the provision he added sandwiches to the menu. After one month, the salads were selling so well, the sandwiches were dropped from the menu. A year later, Scardapane’s shop was the highest-grossing tenant in the food court, ahead of national burger and pizza chains. Today, that small store in a mall food court has evolved into Saladworks, the nation’s largest fresh-salad concept. “Our main goal was, and still is today, to provide a meal that is healthy, quickly accessible, and delicious,” says Scardapane. “I think we’ve achieved and exceeded this, offering sizable salads, sandwiches and wraps with ingredients that are chopped fresh daily.” In 2008, Scardapane took on a partner, Vernon Hill. Hill’s experience taking Commerce Bankcorp from a single location to hundreds has proven beneficial to the Saladworks brand. With about 100 locations in 12 states, Saladworks grossed \$65 million in system-wide sales in 2010. Currently, the franchise has 89 stores in various stages of development. Keeping in line with its growth, the company has a projection of 500 stores by 2016. “John created America’s best salads,” Hill says. “Now it’s time to take that from good to great, making Saladworks the nation’s greatest restaurant chain.” “Twenty-five years seems like a day when you have a passion for what you do,” Scardapane says. “I can’t imagine doing anything else, my exit strategy is death.” – Source: qsr magazine.com

Friendly's Chain Close to Bankruptcy: Report

Burger and ice cream chain Friendly's is close to filing for bankruptcy and may try to sell itself at auction, the Wall Street Journal reported last week. The Wilbraham, Massachusetts-based restaurant chain may file for bankruptcy as early as next week and is in talks with Wells Fargo & Co on a \$70 million loan to keep it afloat during the process, the Journal reported, citing sources familiar with the matter. A spokeswoman for Friendly's said the company has a policy of not commenting on rumors, but added in an email to Reuters: "Like many restaurant chains, we are feeling the impact of the economic downturn and rising commodity prices and a challenging marketplace. We are working with our lenders, board and management team to explore alternatives to strengthen our financial base." Calls to Friendly's owner, Sun Capital Partners Inc, were not returned at that time. A spokeswoman for Wells Fargo declined to comment on the report. According to the report, under bankruptcy, Friendly's would roll some of its existing debt into a new loan from Wells Fargo. The loan would also include \$25 million in new funds. Friendly's would seek an auction to sell itself out of bankruptcy, the report said. Friendly's has retained law firm Kirkland & Ellis and

turnaround firm Zolfo Cooper, the Journal said. Friendly's would be the latest in a number of restaurant chains, including Sbarro, Fuddruckers and Charlie Brown's Steakhouse, to file for bankruptcy because of the economic downturn and a drop in consumer spending. Sbarro is currently in bankruptcy in New York, where it will either sell itself to the highest bidder or restructure the bulk of its \$395 million debt load. – Source: Chicago Tribune/Reuters.

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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