August 1, 2011

Nalco Execs Could Get Millions Post-Ecolab Merger

The executive management of Nalco Holding Co. could walk away with nearly $38 million in stock payouts following Ecolab Inc.'s $8-billion acquisition of the Naperville-based industrial water treatment company. Chairman and CEO Erik Fyrwald and former Chief Financial Officer Bradley Bell would take home most of that, according to the change in control agreements outlined in company filings with the U.S. Securities and Exchange Commission. Mr. Fyrwald could walk away with at least $13.5 million in stock while Mr. Bell, who retired in December, could take $13.1 million. The acquisition news sent Nalco shares shooting up more than 24% Wednesday to close at $35.87. Three division presidents would receive between $1.3 million and $2.7 million in payouts. Mr. Bell's successor, Kathryn Mikells, who joined Nalco in October as CFO from the same post at UAL Corp., also stands to make $5.3 million. That's on top of the $9.4 million in payouts and severance she took home after airline giants United and Continental merged in 2010 to create United Continental Holdings Inc. There, she also had a double-trigger change in control agreement. Ms. Mikells is eligible to participate in Nalco's management incentive plan and stock incentive plan, but had not yet been awarded those grants. She did receive sign-on bonuses of 137,630 restricted shares and options that would be paid out if the change in control agreement is triggered. The executives signed new change in control agreements in January that would require both a change of control and involuntary loss of employment to accelerate the payouts. In the $8.1-billion deal, St. Paul, Minn.-based Ecolab offered Nalco shareholders $38.80 in cash, or $0.70 per share of Ecolab for each Nalco share, according to company filings. Nalco shareholders will get $5.4 billion, including $3.8 billion in stock, and $1.6 billion in cash, while Ecolab will assume $2.7 billion in Nalco debt. The $5.4 billion purchase price is 34% more than Nalco's July 19 closing share price. The new company will continue as Ecolab. – Source: Crain's Chicago Business

Structural Concepts Announces Addition to Foodservice Sales Management Team

Ed Hughes joins the Structural Concepts team as Sales Manager. Ed and his wife reside in California and Ed will work with dealers, consultants and end users throughout the Western territory. Ed brings 27 years of experience in the foodservice equipment industry; which includes experience in fabrication, equipment sales, and several years as a Manufacturer's Representative in Texas and California. Most recently, Ed was Regional Manager for an ice machine manufacturer so his exceptional understanding of refrigeration will aid his transition to Structural Concepts' products. His educational background is in Industrial Management/Engineering and he holds CFSP Level II and CPMR certifications. Familiar Structural Concepts names and faces with different responsibilities! Wayne Martin was recently promoted to the position of Director of Foodservice Sales. He joined our Sales team in the fall of 2010 with over 30 years of experience in commercial foodservice equipment and has now moved from Regional to National Foodservice Sales responsibility. Danielle McMiller has been promoted to the position of Vice President of Foodservice Sales and Marketing. She will work closely with buying groups, dealers, sales representatives and customers to further expand the company's foodservice market share. Jeff Schneider was promoted to Senior Vice President of Sales, Marketing and Strategic Planning. He will oversee the sales and marketing functions, primarily the Supermarket side of our business, plus he is responsible for leading all strategic planning process. – Source: Structural Concepts

Dunkin' Brands Group, Inc. Announces Pricing of Initial Public Offering

Dunkin' Brands Group, Inc., the parent company of Dunkin' Donuts and Baskin-Robbins, today announced the initial public offering of 22,250,000 shares of its common stock at a price of $19 per share. The Company's shares are expected to begin trading on The NASDAQ Global Select Market on July 27, 2011 under the trading symbol "DNKN." In addition, the underwriters have been granted a 30-day option to purchase up to an additional 3,337,500 shares. The offering is being made through an underwriting group led by J.P. Morgan Securities LLC, Barclays Capital Inc., and Morgan Stanley & Co. LLC, along with B of A Merrill Lynch, and Goldman, Sachs & Co. – Source: Dunkin' Brands Group, Inc.

National Restaurant Association Announces New Dates for NRA Show 2012. Foodservice industry's largest event will stay in Chicago, but move to May 5-8 to avoid overlap with Global G8 and NATO Summit

The National Restaurant Association announced that the 2012 National Restaurant Association Restaurant, Hotel-Motel Show, originally scheduled for May 19-22, 2012 at Chicago's McCormick Place, will be held from May 5-8, 2012 at Chicago's McCormick Place. This change reflects the Association's decision to avoid overlap with the Global G8 and NATO Summit scheduled to take place in Chicago from May 15-22, 2012. "The NRA's primary goal is provide our exhibitors and attendees an environment that is conducive to business," said Dawn Sweeney, President and CEO of the National Restaurant Association. "Discussions with the Chicago Mayor's Office, the Chicago Convention and Tourism Bureau and the Metropolitan Pier and Exposition Authority have made it clear to us that the security and logistics requirements for the G8 and NATO Summit will significantly restrict movement within Chicago during that time. Therefore, after carefully considering a number of options, we've come to the conclusion that keeping the 2012 NRA Show in Chicago but moving it to earlier in May will provide the best opportunity for our industry to have a productive and enjoyable 2012 Show." Along with NRA Show, the co-located International Wine, Spirits and Beer Event will also move up two weeks to take place from May 6-7, 2012. – Source: The National Restaurant Association.

Yum Brands Continues to See Strong International, Weak U.S. Sales

Yum! Brands Inc. posted net income of $316 million for the second quarter 2011, a 10.5 percent increase from the same time period in 2010. The increase came from strong sales in the company's international operations, despite a decline in operating profit for U.S. units. Yum, the Louisville-based parent company of KFC, Pizza Hut, Taco Bell, Long John Silver's and A&W All-American Food Restaurants, also continued international development in the second quarter, opening 241 units, including 99 units in China. Earnings per share for the quarter were 65 cents, compared with 59 cents per share in 2010. The figure is higher than the 61 cents consensus that financial analysts polled by Thomson Financial Network had predicted for the second quarter.
Total revenue for the quarter were $2.43 billion, up 10 percent from the same period last year. Yum's China Division posted a 31 percent increase in operating profit from the same period in 2010, increasing from $139 million to $182 million in 2011. The company's International Division, which includes all countries and territories except for the United States and China, had an operating profit of $145 million, up 19 percent from $122 million in 2010. Domestic stores, however, saw a decrease of 7 percent in operating profits, falling to $132 million in 2011 from $184 million in 2010. Year-to-date net income was $580 million, up 10 percent from 2010. Same-store sales grew 18 percent in China and 2 percent at Yum Restaurants International. Year-to-date sales declined 4 percent at U.S. restaurants. In a news release, chairman and CEO David Novak said that based on the second-quarter results, company officials were increasing the company's full-year EPS growth forecast to at least 12 percent. "Our China business continues to be the leading growth story in the restaurant industry, as our category-leading brands are performing stronger than ever," he said in the release. "Operating profit grew 25 percent in China, prior to foreign currency translation, as same-store sales grew an impressive 18 percent." Novak added that a lawsuit filed in January against Taco Bell, regarding quality of meat, continues to impact U.S. stores. The lawsuit was dropped in April. "Our outstanding international results were offset by a 28 percent decline in U.S. profits, driven by higher commodity costs and a 4 percent decline in same-store sales," he said. "As previously communicated, we anticipated weak second-quarter sales and profits, driven largely by the negative impact of a meritless lawsuit and resulting negative publicity at Taco Bell. We expect to improve on these very disappointing results by the fourth quarter." – Source: Business First

New Concept and Location for Hogatec 2012

hogatec, International Trade Fair for Hotels, Gastronomy and Catering, will be completely redesigned starting in 2012. The event will be held at the fairgrounds in Essen, Germany (from September 2 - 5, 2012). The relocation from Düsseldorf, Germany to Essen also results in a new trade fair concept. In addition to its technical focus, hogatec will return to serve as a marketplace for the suppliers of the beverage and food industry. With numerous attractive events, hogatec will also offer hoteliers and restaurateurs a platform for innovations and buying decisions. "Messe Düsseldorf and industry representatives agree that the region needs a trade fair such as hogatec. However, the demand for a wider food and beverage offer range at hogatec has grown in the past. In this regard, the location Düsseldorf is and was somewhat limited due to overlaps with our other trade fairs specializing in this topic area. The location Essen opens up the opportunity to focus more on the food and beverage segments," explained Werner M. Dornscheidt, President and CEO of Messe Düsseldorf. "The trade fair organizers from Düsseldorf and Essen are looking back on good cooperation during several foreign projects and are now looking forward to jointly promote a domestic product. In addition, we are now also able to provide long-term scheduling stability for hogatec at the new location, something that has been on the wish-list of the industry for some time," stated Frank Thorwirth, President and CEO of Messe Essen. Ernst Fischer, President of the German Hotel and Inn Association (DEHOGA Bundesverband), is convinced that the location Essen is extremely well suited for hogatec: "The Federal Association DEHOGA continues to stand by hogatec. With industry events such as the System Gastronomy Forum and other top-quality DEHOGA events, hogatec will continue to be positioned among the leading trade fairs for the hotel and restaurant industry in Germany." The Trade Fair Advisory Board also welcomed the new concept of hogatec. Paul-Werner Huppert, President and CEO of MKN and member of the hogatec advisory board, remarked: "The service area offers enormous visitor potential for the hotel and restaurant industry. It was the right decision to strengthen the longstanding tradition of hogatec in the Rhine-Main and Rhine-Ruhr metropolitan areas, and to return it to its old standing amongst the hotel and restaurant industry trade fairs." "Messe Düsseldorf will continue its responsibility to provide optimal conditions for exhibitors and visitors of hogatec. Therefore, the existing hogatec project team in Düsseldorf will cooperate with the newly formed trade fair team in Essen to offer help and advice as needed," added Werner M. Dornscheidt. – Source: Messe Essen

Bosnia Gets a McDonald's

"Try your Big Mac", a giant billboard advises patrons in Sarajevo, as the hours tick down to one of the biggest events since the Dayton peace accords. Nearly sixteen years after the war ended, the Bosnian capital has attained the ultimate sign of modernity: a McDonald's on the main central thoroughfare, Marshal Tito Street. It hasn't been an easy ride for the US-based fast food restaurant, which will open its doors to Bosnians on Wednesday. It has had to overcome red tape, political interference and the jealousies of traditional restaurateurs to get this far, local observers said. The US ambassador, Patrick Moon, and the head of the country's three-member presidency, Zeljko Komsic, were to attend the glitzy opening party. Compared to the pre-opening marketing blitz, the signage on the actual Tito Street location looks small and restrained, in strict adherence to local regulations that local businesses tend to ignore. Local cevapi (ground lamb and beef) and burek (meat pie) vendors had lobbied Bosniak (Bosnian Muslim) politicians to block the new competitor. McDonald's Corp started looking at the Balkan country of around 4m people soon after the 1992-1995 war, the bloodiest of the Yugoslav break-up, which had left 100,000 people dead and over 1m displaced. With tens of thousands of Nato peacekeepers, EU and US overseers and western aid workers around, a McDonald's franchise seemed logical and lucrative, regardless of all the local ethnic sensitivities and complex post-war political structures. The US embassy took up the fast-food chain's cause early on, seeing the need

for an iconic foreign investment to send a positive signal to other foreign multinationals. For years, however, McDonald's found itself blocked at every turn by local authorities – perhaps signaling that Bosnia-Herzegovina really wasn't truly ready for the FDI needed to rebuild its shattered economy. – Source: The Financial Times

India to Welcome More Pizza, Chicken Joints

Devyani International, a food arm of RJ Corp, has major expansion plans in India. It will open 150 to 160 new restaurants this year for brands including Pizza Hut, Costa Coffee and KFC. The restaurants and franchising operations fused under Devyani International already have more than 200 food and beverage outlets throughout the country. According to Franchise India, Devyani, the international franchise holder for Pizza Hut and KFC with exclusive franchise rights for the UK-based coffee chain Costa Coffee, is going the IPO route. It expects funds raised to also support expanding RJ Corp-owned KFC stores in Africa. – Source: PizzaMarketplace.com

Bojangles' to Be Sold to Private Equity Firm

Charlotte's homegrown biscuits and fried chicken chain will soon be owned by a private equity firm based in Boston, as Falfurrias Capital Partners said Monday it has a deal to sell Bojangles' to Advent International for an unspecified sum. "I really couldn't be more excited for the brand and what's in it for the franchisees," said Bojangles' CEO Randy Kibler. The chain's current management will remain with the company, and Bojangles' will still be headquartered in Charlotte. "While the ownership will change, I think that it'll continue to be a locally run and locally managed place," said Hugh McColl, Jr., co-founder of Charlotte-based Falfurrias, owner of Bojangles'. Founded in 1974 at West Boulevard and South Tryon Street, Bojangles' has since grown to more than 500 locations. Falfurrias - a fund started by former Bank of America CEO McColl and former BofA chief financial officer Marc Oken - bought Bojangles' in 2007. Falfurrias spurred rapid growth, expanding Bojangles' to 503 stores from 377 four years ago. During that time, revenue rose 40 percent. This year, the company projects total revenues of $800 million. Oken said Falfurrias has wrestled for months over whether to part with Bojangles' now or keep expanding the company. "We went through that discussion at the beginning of the year within the firm," said Oken. "We talked to several investors, and really the key point was we're not sure what things are going to look like." The firm's biggest concerns: the fragile state of the economy, and the higher cost of corn driving up chicken prices. In the end, they decided it was time to lock in profits. "It turned out to be a good decision," said Oken. "Things are a little more troubled now. The debt markets ... are a bit more choppy." The Observer first reported that Falfurrias was looking to sell Bojangles' in February. The deal with Advent is expected to close in mid-August. McColl said that he thought the chain could double in size, but doing so was beyond the scope of Falfurrias, which focuses on midsized companies. "In all candor, if we had enough capital, we probably would have doubled the brand again before selling," he told the Observer. "(Advent) can take advantage of the brand we built." And, McColl added: "We'll make a lot of money." That's a far cry from the mid-1980s when Bojangles', founded in Charlotte by entrepreneurs Jack Fulk and Richard Thomas, fell on hard times and shrank from nearly 350 stores to fewer than 200. When Falfurrias, along with Panthers owner Jerry Richardson, bought the chain, they focused on expansion in the restaurant's Southeast home states, and developing stores in adjacent communities to existing Bojangles'. "You won't see us opening 20 stores in Arizona," said Oken. "People never heard of Bojangles' there." In 2007, the firm brought in Kibler, a former employee of Richardson who used to helm Hardee's. Under Kibler, Bojangles' started to refurbish stores at a cost of $150,000 each, an initiative that's reached 60 percent of company-owned stores and 40 percent of franchised locations. Kibler said he sees plenty of room for the chain to grow in the Southeast and isn't focused on expanding nationally. "There's a point in time when that could be the proper move," he said. "But if you just look at the adjacent states we operate in, there's room for us to put another 500 restaurants and still not be fully penetrated." McColl and Oken said Falfurrias is currently considering other investments, possibly in a financial company. "We see a lot of opportunity in the financial sector," McColl said. "Candidly, a lot of companies' values have been beaten down, and there may be a lot of opportunity lying there, particularly in specialty companies." – Source: The Charlotte Observer

Red Mango Names Pizza Veteran Barron CEO

Red Mango Inc., one of the nation's fastest-growing retail franchise concepts, today announced the appointment of Barry M. Barron, Sr. as its chief executive officer. Barron, a Dallas resident, brings extensive restaurant experience to the role, including six years leading Papa John's international expansion and 10 years in restaurant operations with Pizza Hut. Most recently, Barron was chief operating officer of ACE Cash Express, where he helped to grow the

chain from 700 to 1,800 locations. "Red Mango now has 132 stores in operation, and that growth is continuing to accelerate," says Chairman John Antioco. "Barry's extensive background in store development and operations is perfectly suited to continuing the rapid pace of our national and international expansion through franchising." Since its launch in 2007, Red Mango has operated under the leadership of founder Dan Kim, who will continue to serve as the company's chief concept officer focusing on product innovation, social media initiatives, and brand marketing. "We strongly endorse Barry's appointment," says Fouad Bashour, Red Mango director and partner with CIC Partners, a Dallas private equity firm. "CIC Partners has enjoyed a long history with Barry. He was instrumental in growing the ACE brand and creating value for its shareholders and we look forward to similar results from Red Mango." "Red Mango has clearly established itself as the leader within its category," Barron says. "When our guests walk through the door, they immediately feel the difference. From the upscale decor, to the healthy, innovative line of products to the active online fan base, Red Mango is a company that understands its strengths and truly differentiates itself from other concepts. And because those elements are firmly in place, now is the perfect time to accelerate the company's growth on both national and international levels." – Source: qsrmagazine.com

OSI Restaurant Partners Joins National Council of Chain Restaurants

The National Council of Chain Restaurants announced that OSI Restaurant Partners, one of the largest casual dining restaurant companies in the world, has become its newest member. “We are very pleased to welcome another dynamic chain restaurant company as a member of NCCR,” NCCR Executive Director Rob Green said. “We look forward to a strong partnership with OSI as we focus on advocacy in our nation’s capital on key issues which uniquely impact the chain restaurant industry.” “We are excited about our membership in NCCR,” OSI Vice President of Government Affairs and Corporate Counsel Matt Halme said. “As the leading trade association representing chain restaurants, NCCR is a unique venue for our industry to exchange ideas and discuss strategic goals. NCCR’s partnership with the National Retail Federation on advocacy issues makes this membership an extremely strong value proposition.” Headquartered in Tampa, Fla., OSI owns and operates Outback Steakhouse, Carrabba’s Italian Grill, Bonefish Grill, Fleming’s Prime Steakhouse & Wine Bar, and Roy’s Hawaiian Fusion Cuisine. OSI has 95,000 employees at 1,470 locations in 49 U.S. states and 24 countries around the world. In addition to participating on panels such as NCCR’s Food Supply Chain Committee, NCCR members receive membership privileges in the National Retail Federation, NCCR’s parent association and the world’s largest retail trade group. – Source: National Council of Chain Restaurants (NCCR)

Ignite Restaurant Group Files for IPO of Up to $100 mln

Joe's Crab Shack operator Ignite Restaurant Group filed with U.S. regulators on Friday to raise up to $100 million in an initial public offering of its shares. In a filing with the U.S. Securities and Exchange Commission, Ignite said Credit Suisse, Baird and Piper Jaffray would be underwriting the offering. Ignite, which posted a profit of $11.6 million last year, said it would use to the proceeds of the IPO to pay down debt. The filing did not reveal the number of shares the company plans to sell or their expected price. The amount of money a company says it plans to raise in its first IPO filing is used to calculate registration fees. The final size of the IPO can be different. – Source: Reuters

Giordano’s Trustee Accuses Franchise Owners of Conspiracy

The bankruptcy trustee in charge of troubled Chicago pizza chain Giordano’s is suing most of the restaurant’s franchise owners, accusing them of conspiring to block the company’s sale to outside buyers. Nearly all of the company’s 35 franchise owners have pooled together money to put in a $30 million bid for the restaurant chain’s assets—a price that falls below other informal offers that Chapter 11 trustee Philip V. Martino has come across while gauging buyer interest in the company. Many franchise owners have stopped making royalty payments and have even started cooking with rogue ingredients that don’t conform to the pizza chain’s standards, jeopardizing its reputation and hindering the broader efforts to successfully reorganize the company, according to the lawsuit that Martino filed Wednesday with the U.S. Bankruptcy Court in Chicago. “The Giordano’s franchise system is a valuable asset that cannot be sold for full value while the franchisee dispute is still pending,” according to the lawsuit, which asks a bankruptcy judge to force the group’s cooperation. The lawsuit demands that franchise owners start making royalty payments again, which funnel about $2 million annually toward the company, formally Giordano’s Enterprises Inc. It also requests that franchisees cook with the proper ingredients they agreed to use in their franchise agreements, which enable them to use secret Giordano’s recipes and trademarks. “That is extremely

serious in the franchising world," Martino said in an interview Thursday. "When you go to Giordano's, you have an expectation that you're going to get a Giordano's pizza." Chicago attorney Chester Foster Jr., who represents about 30 of the dissenting franchise owners, wouldn't respond to specific accusations but said he hopes to " work through the bankruptcy process to try to achieve the best possible results for Giordano's and for all of the individual franchise owners." Martino began looking for buyers shortly after taking over the case as trustee in early May, a move that came at the request of a federal watchdog that pointed out that the chain's owners had failed to file key financial documents on time and had fired their attorneys. He expects the company, which is known for selling "Chicago's World Famous Stuffed Pizza," to be sold by the end of the year. Martino's appointment removed the chain's control from longtime owners John and Eva Apostolou, who purchased control of Giordano's in 1988. Under the Apostolous' ownership, the company began to expand outside Illinois for the first time in 2005, opening six restaurants in Florida. The company said it owed at least $45.7 million, mostly to lender Fifth Third Bank, when it filed for bankruptcy protection on Feb. 16, according to court documents. But Martino said the company operates profitably, earning at least $1.2 million in operating profits during the first four months of its restructuring. – Source: The Wall Street Journal

Ruth's Hospitality Group, Inc. Announces Strategic Change to Senior Leadership Team

Ruth's Hospitality Group, Inc. announced that Executive Vice President & Chief Financial Officer Bob Vincent will transition to a newly created position of Senior Vice President of Corporate Strategy. Effective August 8, 2011 Mr. Vincent will be responsible for formulating and executing the Company's corporate strategy, including evaluating domestic and international expansion opportunities, along with other related efforts intended to enhance long term shareholder value. Mr. Vincent has served as the Company's Executive Vice President and Chief Financial Officer since February 2008 and has more than 30 years of executive experience, including previous leadership roles at Uno Restaurant Holdings Corporation, Omega Corporation, and Boston Restaurant Associates, Inc. Effective August 8, 2011 Arne Haak will assume the role of Chief Financial Officer. Mr. Haak brings more than 20 years of senior level finance and planning experience to Ruth's Hospitality, with a diverse skill set that encompasses corporate finance, financial planning and analysis, investor relations, treasury management, purchasing, strategic planning, pricing and revenue management. Michael O'Donnell, Chairman, President and Chief Executive Officer of Ruth's Hospitality Group, stated, "Creating a new position within our senior management structure devoted solely to corporate strategy reflects one of the most important and positive leadership changes at Ruth's Hospitality in recent years. As CFO, Bob Vincent has provided our Company with sound leadership during very challenging economic times, including, most notably, strengthening our financial condition through the restructuring of our balance sheet and streamlining of our operations. He has proven to be an invaluable member of our organization and is ideally suited to assist in our strategic efforts as we build upon our current momentum and lay the groundwork for long-term expansion of our restaurant concepts. As Bob assumes his new role, we are also excited to welcome Arne as our incoming CFO. Arne is a uniquely qualified individual and respected financial leader who brings to Ruth's Hospitality an impressive track record of strengthening organizations and creating value for shareholders. He is a seasoned executive who is highly regarded for his broad range of expertise and we are confident he is well-suited for his new role on our leadership team. Together, Bob, Arne, and I look forward to evaluating opportunities that will benefit our shareholders over the long run." – Source: Ruth's Hospitality Group, Inc.

Max & Erma's Names Steve Weis Vice President, Operations. Columbus-Based Exec to Help Drive Casual Restaurant Chain's Reemergence

With an aggressive turnaround plan underway, Max & Erma's Restaurants is turning to veteran restaurant leader Steve Weis to guide day-to-day-operations. The announcement was made today by Hazem Ouf, president and CEO of Max & Erma's parent company, American Blue Ribbon Holdings, LLC (ABRH). Ouf will continue to serve as the chain's chief executive. Weis will report to him. "Steve's experience as a leader with such well-known brands as Pizza Hut, Taco Bell and KFC, combined with his years in the field running franchised Applebee's restaurants, makes him the perfect fit to drive the Max & Erma's turnaround," Ouf said. Max & Erma's currently operates 73 company-owned and franchised restaurants. Weis joins Max & Erma's from Thomas & King, Inc., where he served as regional vice president for one of Applebee's largest franchises. "Max & Erma's has a unique place in the communities it serves and in the casual dining segment," Weis said. "In less than a year, Hazem and his team have made huge strides in rebuilding Max & Erma's, and this is an extremely exciting time to come on board." Acquired last September by Denver-based ABRH, the casual dining chain, known for its fun, quirky personality, has undergone a remarkable transformation. Double-digit sales declines were reversed, driven by a revamped menu, a new marketing strategy and a renewed focus on guest service. Weis is a resident of Columbus. "It's very important that the brand's leaders remain close to the communities that helped to make it successful," Ouf added. Max & Erma's marketing, led by long-time Columbus restaurant executive Jennifer Gulling, is based in Columbus. – Source: Max & Erma's.

McDonald's Plans Super-Sized Olympics Restaurant

McDonald's Corp. announced plans to build the largest restaurant in its system as part of its role as official restaurant of the 2012 Olympic Games in London. The 9,843-square-foot (3,000-square-meter), two-story unit will have a kitchen four times standard size to accommodate the crowds. The chain says it expects to serve 1.75 million meals during the games, which run from July 27 to August 12, 2012. Architect Philippe Avanzi, who received acclaim in 2009 for his modernization of McDonald's units in Manhattan, designed the super-sized restaurant. Jill McDonald, CEO of McDonald's UK operations, said the interior would be a "reflection of street life" that will use graffiti, the "epitome of urban art," as a central theme. The four Olympic restaurants (two in the Olympic Park, one in the athletes' village and one at the press center) were designed to be disassembled after the games, their pieces (including furniture and kitchen equipment) recycled into other McDonald's locations. While not mentioned during the webcast, McDonald's earlier announced that British "eco-designer" Wayne Hemingway, co-founder of the Red or Dead label, is creating 100% recycled uniforms for Olympic-venue staff to wear. After the games, the new look will be used throughout the UK. McDonald's Chef Dan Coudreaut promised the broadest menu ever offered by the chain at an Olympics. He provided no details other than to proactively assert that the McDonald's menu-development process "takes into account the latest in nutrition science." A new program, McDonald's Champions of Play, will be part of the Olympic sponsorship and will focus on promoting "balanced eating and fun play" for kids. The chain's food-quality commitment was repeatedly stressed and endorsed by Terri Moreman, associate director of food and nutrition services for the U.S. Olympic Committee. – Source: BurgerBusiness.com

Real Mex Restructuring Corporate Finances

Real Mex Restaurants, Inc. announced that it has reached an agreement with lenders to waive and amend certain covenants as it works to revise its corporate capital structure. The company also reported that it made a $9.1 million interest payment due this month. An affiliate of Sun Capital Partners provided additional liquidity as part of the ongoing restructuring process.

All financial stakeholders are working together on a revised capital structure that recognizes economic realities and addresses future needs, the Company said. "Our core business continues to improve and the operating performance of our restaurant brands is making strong progress under new leadership," said Real Mex Chairman & CEO David Goronkin. "Although our company continues to generate substantial earnings, the current capital structure, certain above-market leases and the soft economy slow our headway. By addressing these issues now we'll be able to move forward more quickly." – Source: Real Mex Restaurants, Inc.

Panchero's Announces Corporate Changes

Panchero's Mexican Grill has announced the hiring of Barry Nelson as the company's new vice president of operations. Nelson brings more than 25 years of experience in the restaurant industry. He spent 10 years with Papa John's working with both corporate and franchise operations, including positions as store manager, district manager, franchise business director and operating partner with the master franchise in Alberta, Canada. Jenni Knock also has joined the corporate team at Panchero's as the controller. Knock spent 14 years with Kinseth Hospitality Companies, where she was staff accountant, internal auditor/traveling accountant, accounting manager, IT support and assistant controller. Panchero's Franchise Corporation has promoted Reid Travis to director of marketing. Travis was previously social and new media project manager for Panchero's. He has been with the company since 2009. Panchero's has more than 50 locations in 17 states. The company plans to have 60 restaurants open across the country by the end of 2011. – Source FastCasual.com

Carrols Restaurant Group, Inc. Names Tim Taft CEO of Fiesta Restaurant Group, Inc.

Carrols Restaurant Group, Inc. announced the hiring of Timothy Taft as Chief Executive Officer of Fiesta Restaurant Group, Inc. effective August 15, 2011. Fiesta Restaurant Group, an indirect, wholly-owned subsidiary of Carrols Restaurant Group, owns and operates the Taco Cabana and Pollo Tropical restaurant businesses. Carrols Restaurant Group previously announced that it plans to spin-off Fiesta Restaurant Group as a separate public company by the end of this year. "Tim Taft is a proven leader in the restaurant industry and brings a broad range of experience and skills to Fiesta," stated Alan Vituli, CEO and Chairman of Carrols Restaurant Group. "Tim's background as a successful marketer, brand builder and operator in the restaurant industry will provide a great blend of practical knowledge, customer orientation, and team building to our growing Pollo Tropical and Taco Cabana restaurant brands. He joins Fiesta at a very exciting time for the Company." Mr. Taft, age 53, succeeds Mr. Vituli as Chief Executive Officer of Fiesta Restaurant Group. Mr. Vituli will remain as the CEO and Chairman of the Board of Carrols Restaurant Group and Chairman of the Board of Fiesta Restaurant Group. Mr. Taft has over 30 years in the restaurant and hospitality industry having worked his way up from a national account director at a regional advertising agency to become President and Chief Operating Officer at Whataburger, Inc., a made-to-order burger restaurant chain headquartered in Corpus Christi, Texas with over 700 locations in 15 states. Mr. Taft was at Whataburger for over 10 years. Most recently, Mr. Taft served as interim Chief Executive Officer of Souper Salad, Inc., a San Antonio, Texas based company owned by private equity investors. – Source: Carrols Restaurant Group, Inc.

Chicago Firm Buys Big Chunk of McCormick & Schmick's

A Chicago investment firm has bought nearly 12 percent of McCormick & Schmick's Seafood Restaurants Inc. Discovery Group, which looks for value in small public companies, said Monday it acquired 1.75 million shares of the Portland, Ore.-based chain of seafood restaurants, the Portland Business Journal reported. Discovery is now one of the company's largest institutional owners. The news comes just one business day after Texas restaurateur Tilman FertittA WITHDRES A HOSTILE BID for the company. Instead, Fertitta entered into a confidentiality agreement with McCormick & Schmick's to negotiate a possible sale. – Source: Minneapolis / St. Paul Business Journal/Portland Business Journal

The Cheesecake Factory Opens in Short Hills, New Jersey

The Cheesecake Factory Incorporated announced the opening of its newest Cheesecake Factory restaurant at The Mall at Short Hills in Short Hills, New Jersey. The restaurant opened on July 18, 2011 and contains approximately 10,000 square feet and 277 seats. – Source: The Cheesecake Factory

El Pollo Loco: 'Feel The Mexcellence'

Regional fast food chain El Pollo Loco is aiming to be something more than excellent with its new marketing campaign. Beginning this month, the Costa Mesa, Calif. company's "Feel the Mexcellence" campaign showcases the restaurant's passion for flavor, preparation and in-store experience. Television commercials in the campaign show off the chain's signature citrus-marinated grilled chicken and other handmade items. "The big difference [between us and competitors] is we do so much by hand," Mark Hardison, the company's vice president of marketing, tells Marketing Daily. "We're getting in at 7 a.m. and marinating our chicken by hand. We're cooking food by hand. That's the biggest thing we're taking credit for and informing the marketplace of." The marketing campaign is part of a top-to-bottom marketing overhaul that includes new signage and displays following the "Mexcellence" theme, as well as other touches like offering receipts with customized messages referencing a customer's order (e.g., "We hope you enjoy your taquitos. We sure enjoyed making them." A commercial making its debut this month depicts the company's attempt at creating the world's largest hand-started fire. In June, the company brought together more than 50 of its employees from around the chain to operate a 25-foot bow drill (a device that moves a spindle back and forth, generating friction and an ember). Although the attempt didn't manage to set the record (flames were added to the commercial via CGI), the event was more about "bringing the brand together," Hardison says. Along those same lines, the company has also introduced a Facebook game through which users can operate a virtual bow drill (using the left and right arrow keys to move the bow and spindle), and pass the flame on to their friends for the chance to receive food coupons. "It puts fire making in the hands of the user," Hardison says. "It's a fun way to engage Facebook users and use Facebook the way it was intended, to interact with your friends." – Source: MediaPost Comunications/Marketing Daily

Positive Mood in the German Hotel Investment Market

Activity in the German hotel investment market remains brisk, continuing the positive development in this sector. The quarterly result for April through June was significantly higher than the result for the first three months of the year. "All told, we registered a transaction volume of just under €352 million in the second quarter, which is over the values for both the previous quarter and the previous year," reports Andreas Trumpp, Head of Research at Colliers International in Germany. "At the half-year mark, transaction volume had risen from €320 million last year to almost €582 million, an 82% increase that reflects the renewed confidence in more than just hotel properties," he adds. Interest in hotel properties is, however, confined to a small group of specialized investors, which is reflected in the fact that this asset class makes up only about 5% of the total commercial transaction volume of €11 billion posted in the first half of 2011. While international investors still dominated the activity on the hotel investment market during the first quarter, German investors were able to increase their share of the transaction volume from less than 20% in the first quarter to nearly one-third in the first half of the year viewed as a whole. The major factors contributing to this included two sales of five-star and luxury-class hotels. A closed-ended real estate fund operated by Deutsche Immobilien Invest purchased the 177-room Grand SPA Resort A-Rosa Sylt, located in the town of List, for just under €63 million. At the same time, this purchase represents one of the biggest individual transactions so

far this year. The Handelshof, in Leipzig, was also purchased by a German family office. The former trade fair venue, located right near the old town hall in the city center of Leipzig, is home to both retail space and the Steigenberger Grandhotel Leipzig, which also has 177 rooms. Although only three of the 26 sales finalized in the first half of the year took place within the five-star and luxury hotel segment, those sales make up some 30% of the transaction volume, at about €175 million. Eighteen of the sales involved three-star and four-star hotels, which together amounted to €371 million, or nearly 64% of the total transaction volume.
"Private investors represented the biggest group of buyers in the hotel investment market in the first half of 2011," Trumpp says, drawing what might at first seem like a somewhat surprising conclusion from his analysis of the deals finalized during this period. Because of the modest size of this market segment compared to the overall market, however, and due to the two major signings in the first half of the year, private investors were able to move to the top slot in terms of sales volume, at about €143 million, followed by open-ended and special real estate funds, at about €122 million, and opportunity and private equity funds, at approximately € 108 million. The differences in investment behavior appear even more pronounced when we analyze the average deal size. While this figure was nearly €41 million for open-ended and special real estate funds, closed-ended real estate funds invested about €36 million on average. Private investors, by contrast, preferred investments in smaller properties, so the average of some €19 million was pulled upward by three sales of over €20 million, while the rest of the sales in this segment were all below €10 million. Andreas Erben, Managing Partner of Colliers Hotel GmbH in Berlin, sums up his expectations for the second half of the year as follows: "Investment volume of about €582 million confirms the assumptions we made at the start of the year. Based on current market activity, we expect positive transaction volume considerably above €1 billion for the year as a whole." – Source: Ehotelier.com

Popeyes Opens 2,000th Location

Popeyes Louisiana Kitchen, subsidiary of Atlanta-based AFC Enterprises Inc., opened its 2,000th restaurant on July 16. The store is located at 4201 Hacks Cross Rd. in Memphis, Tenn. Currently, Popeyes operates restaurants in the United States, Guam, Puerto Rico and 25 international countries. – Display & Design Ideas.

Sodexo in Exclusive Discussions with Accor to Acquire Lenôtre

Sodexo announced that it has entered into exclusive discussions with Accor regarding the possible acquisition of the French company, Lenôtre. Sodexo views the acquisition as a unique opportunity to develop its portfolio of Prestige activities in France and internationally. The transaction will be the subject of consultations with employee representatives and will be submitted for the approval of competition authorities. -- Source: Sodexo/BusinessWire

In a First for Starbucks, Chile Workers Strike

Starbucks Corp has been hit with its first strike at a company-operated cafe in Chile, where some workers are seeking pay and benefit increases, union and company representatives told Reuters. Starbucks was quick to say that its 31 cafes in Chile would remain open despite the absence of union workers, who account for less than one-third of its employees there. Starbucks is seen as having some of the restaurant industry's best pay and benefits, which has helped it fend off union organization efforts in the United States, where the coffee chain has the vast majority of its sales. Starbucks operates roughly 17,000 cafes in more than 50 countries around the world. The vast majority of its cafes are not unionized. Chile has seen a growing wave of protests in recent weeks, led by students, environmentalists and miners. The company is covering the shifts of union workers in Chile with nonunion employees, said Starbucks spokesman Jim Olson. "Our stores in Chile have remained open and they'll continue to be open throughout the strike," Olson said. Meanwhile, the union claimed a win. "It's an incredible victory for the union, and obviously very symbolic for the company internationally," said Andres Giordano, president of the Sindicato de Trabajadores de Starbucks Coffee Chile union, who has been participating in protests at Starbucks cafes around Santiago this week. About 200 of Starbucks' 670 employees in Chile belong to the union, which called on its members to be absent from work on July 7. The union needed 50 percent, plus one, of its members scheduled for shifts on July 7 to participate in order for a strike to be certified. Chile's Labor Bureau found that 62 workers were absent that day, while 57 showed up, Starbucks and the union said. The Labor Bureau, which found the strike effective as of July 7, was not immediately available for comment. Starbucks keeps very accurate attendance records

and disagrees with the Labor Bureau's ruling, which it plans to appeal, Olson said. "The numbers we provided to the Labor Bureau were different and showed that the number of partners that actually came to work as scheduled outnumbered those that participated in the strike," said Olson, who added that Starbucks was complying with the Labor Bureau's decision. Starbucks workers have been protesting in front of Starbucks' Santiago cafes since July 7. On Monday afternoon, they brandished posters with slogans that included: "Your coffee would taste better if Starbucks respected its workers". Starbucks says its pay and other compensation in Chile exceeds what is offered by its peers. – Source: International Business Times

In-N-Out Has Beef with Boise's Burger Express

The Burger Express color scheme is red, white and yellow. Its logo has block lettering and a yellow, arrow-like design through the name. Its menu is bare-bones, with just three burger choices. The problem for owner Larry Squillace is that all of those things are true of In-N-Out Burger, the California-based chain. Burger Express, at 6615 W. Fairview Ave., has been open for about a month. Already comparisons to In-N-Out have been made by a local food blogger, a commenter on the restaurant's Facebook page, and the Statesman's Dana Oland, who wrote in the Food Notes column July 8 in Scene magazine that Burger Express "looks like another In-N-Out Burger copycat from its logo to its menu." Oland reminded readers about Chadder's, the Utah franchise that went further, borrowing In-N-Out's language, and was sued for copyright infringement in 2007. That comparison was prescient. Squillace got a letter July 9 from In-N-Out lawyers telling him to scrap the resemblance or face a lawsuit. "There can be no debate that your restaurant is modeled after In-N-Out's restaurants," the letter said. "Our information suggests that you have even copied In-N-Out's food presentation — the burger partially wrapped with the side visible — to the customer." In-N-Out gave Squillace until Aug. 5 to make changes. Squillace, whose wife had died three days earlier, was befuddled and angry. "This goliath company just wants to pop our bubble and take all our dreams and smash 'em," Squillace said.

In-N-Out fears customers will confuse Burger Express with In-N-Out, and the company must defend "trademarks and trade-dress against any and all copycats and imitators," said Carl Van Fleet, vice president of planning and development for In-N-Out Burger. "Since our inception in 1948, we have worked hard to develop the unique look and feel of our restaurants." Squillace doubts people are mistaking Burger Express for In-N-Out. Van Fleet said the company tries to work with owners to "resolve disputes such as these amicably" and "find reasonable solutions" to make their brands distinct. It would cost at least $37,000 to make the changes the lawyers want, Squillace said. In-N-Out doesn't seem interested in opening a restaurant in the Boise area anyway, he said. "At least when Walmart comes to town, they crush the little guys, but they don't sue them out of business," he said. Squillace explains the resemblance this way: He was nostalgic for old-school hamburger stands, having grown up in southern California flipping burgers for his father's burger restaurant. He wanted to bring that 1960s decor and simple menu to Boise. His father's restaurant had "three hamburgers, three fries and Coke," he said — just like Burger Express. Growing up that way, he said, he knew what In-N-Out was all about, just as a Boise State University alumnus knows the Bronco colors. His colors are standard for fast food, "meant to instigate movement and grab your attention, and get you in and get you out," unlike soothing blues and greens, he said. But Squillace said he "intentionally stayed away from" In-N-Out's famous arrow design. After getting the letter, Squillace said, he asked In-N-Out to send someone to Boise to see the store, but the company turned him down. "We became aware of Burger Express through customers," Van Fleet said. "Once again, we are trying to resolve the matter amicably, and formal legal action has not been initiated." Squillace said his business insurance policy covers trademark infringement. "I'm assuming — I hope — they are going to defend it for me," he said. – Source: TheIdahoStatement.com

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

Thank you for reading The Global Foodservice E-newsletter from American Recruiters!

Craig Wilson
312-780-7510
cwilson@ariteam.com

Michael Page
312-780-7505
mpage@ariteam.com

Ted Agins
312-780-7508
tagins@ariteam.com

Mario Schacher
847-909-1237
mschacher@yahoo.com

DJ Amborski
312-780-7509
djamborski@ariteam.com

Joice Day
312-780-7507
jdat@ariteam.com

John Daschler
312-780-7506
jdaschler@ariteam.com