



January 31, 2012

Subway to Open 600 New Stores by 2015

The Subway franchise of sandwich restaurants is planning a huge expansion in the British Isles to capitalize on the locals' growing appetite in straitened times for cheap food on the go. The company, which currently offers a 3 pounds (\$4.68) lunch deal, said it was targeting 600 new stores in Britain and Ireland by 2015, creating about 6,000 new jobs. Subway currently trades from 1,423 stores in Britain, nearly a fivefold increase on the 2004 level, and 99 in Ireland. "We find that no matter what country we're in, if we hit the right economic notes and appeal to the mass market, we're able to build the business very, very rapidly," Subway's president and founder Fred DeLuca told Reuters in an interview. As well as traditional high street store development, the firm sees huge potential for non-traditional settings such as stations, convenience stores, hospitals, airports and petrol stations, mirroring a strategy being pursued by British baker Greggs, which currently trades from about 1,550 stores. British retailers are generally struggling as shoppers' disposable incomes are squeezed by rising prices, muted wages growth and government austerity measures. Firms like Subway and Greggs, with their relatively low average transaction values, have fared better than most. DeLuca said sales at British Subway stores open over a year were up 10 percent over the last 13 weeks. Globally Subway has over 36,000 outlets in 98 countries from Afghanistan to Zambia. All stores are independently owned and operated by franchisees. DeLuca dismissed the suggestion there was a danger the firm could reach overcapacity in Britain. "Everybody eats three times a day; it's only a question of where they choose to eat. The longer-term trends are people eat out more often," he said. "When we get to 2,000 stores, we'll have about one store for every 30,000 people (in the UK). That's actually quite low density for us. In the U.S. and Canada we have one store for every 12,000 people." – Source: Reuters.

Private Equity Firm Buys Wild Wing Café

Since first opening in 1990 on Hilton Head Island, Wild Wing Cafe has grown into a chain of 32 restaurants in locations as far away as Virginia and Texas. Wednesday marked the restaurant's most recent milestone, as original founders and owners Cecil and Dianne Crowley sold their controlling interest to Charlotte-based private equity firm Axum Capital Partners. The Crowleys will still continue to serve as advisers. "I never dreamed this would happen when we started that first restaurant in Coligny Plaza," Cecil Crowley said. "None of this would be possible without the good people of Hilton Head, who embraced our concept from the very beginning." Financial terms were not disclosed. "We would like to initially grow the brand to 80 to 100 stores," said Muhsin "Moose" Muhammad, a managing director at Axum who is known among sport fans from his gridiron days with the Chicago Bears and Carolina Panthers. "Eventually, we think Wild Wings could be a national brand." Crowley said operations would not be immediately affected at its locations -- including those on Hilton Head and in Bluffton -- but that could change in the coming months. "I'm sure there will be some changes at some point, but we haven't discussed them yet," Crowley said. The Crowleys said they are committed to making sure the restaurant concept they developed doesn't turn into "some plastic group of chain stores." "We will still treat our stores as individual, neighborhood hangouts," Dianne Crowley said. Edna Morris, a managing director with Axum who has served as president of Red Lobster and Quincy's Family Steakhouse, was named interim chief executive officer of Wild Wing Cafe. Wild Wing Cafe operates 11 corporate-owned restaurants and 21 franchised restaurants. Last year the chain generated about \$100 million in sales. Cecil Crowley said talks with Axum began in 2010. He said Wild Wing Cafe has many long-time

employees, and the Crowleys wanted to make sure the buyer would be a good fit. "They are like our kids, and you wouldn't turn your kids over to someone you don't have confidence in," he said. – Source: The Island Packet, Hilton Head, S.C.

Quiznos Restructures to Avoid Bankruptcy

Quiznos completed its previously announced financial restructuring on an out-of-court basis, helping the company avoid bankruptcy. The agreement eliminates one-third – or about \$300 million – of the company's outstanding debt, and provides a significant infusion of \$150 million in new equity from Avenue Capital Group, a global investment firm, to position Quiznos for future growth. "Improving our balance sheet and putting our capital structure issues behind us are major steps forward to strengthening the Quiznos brand and our customer experience," says Greg MacDonald, Quiznos CEO. "We look forward to working alongside the Avenue Capital Group team and appreciate the support of all of our lenders during this restructuring process. Along with our dedicated franchise owners and employees, we can now focus primarily on the customer experience and our fresh, high-quality products. This is an exciting time for all of us here." Following the successful closing of an exchange offer launched by Quiznos on December 23, 2011, Avenue Capital Group has become the majority owner of the Company through its \$150 million equity infusion and the conversion of its debt to equity. Marc Lasry, CEO of Avenue Capital Group, says, "We are excited to be part of the Quiznos team and look forward to partnering with management in the weeks and months ahead." One hundred percent of the aggregate principal amount of the first- and second-lien loans were tendered in the exchange offer. The holders of approximately \$650 million in first-lien loans were repaid \$75 million in cash and the maturity of the balance of their loans was extended until the five-year anniversary of the closing. Certain lenders also exchanged approximately \$150 million of their existing first-lien loans for new second-lien loans, and holders of approximately \$225 million of second-lien loans exchanged their loans for a pro rata share of 40 percent of the new equity of the recapitalized Quiznos. In addition, the Company received significant concessions from certain other creditors and stakeholders. Former equity owners Consumer Capital Partners facilitated the restructuring process and provided certain concessions to allow the restructuring to be completed out of court. Quiznos' financial advisor for the restructuring was Moelis & Company and its legal advisor was Paul, Weiss, Rifkind, Wharton & Garrison L.L.P. Vinson & Elkins L.L.P. acted as the company's financing counsel. The financial advisor for Avenue Capital and certain other lenders was Lazard and the legal advisor was Akin Gump Strauss Hauer & Feld LLP. The financial advisor for first-lien lenders was Blackstone Advisory Partners L.P. and the legal advisor was Willkie Farr & Gallagher LLP. Now in its 30th year, Denver-based Quiznos is a national chain designed for today's busy consumers who are looking for a tasty, freshly prepared alternative to traditional fast-food restaurants. Using premium ingredients, Quiznos restaurants offer creative, chef-inspired recipes for sandwiches, soups and salads. Avenue Capital Group is a global investment firm focused on undervalued opportunities in the private and public debt, equity and real estate markets in the U.S., Europe and Asia. The firm is headquartered in New York, with offices in London, Luxembourg and Munich, and five offices throughout Asia. – Source: QSR.

Einstein Noah Adds Member to Board of Directors

Einstein Noah Restaurant Group, parent company of Einstein Bros. Bagels, Noah's New York Bagels and Manhattan Bagel brands, has named Edna Morris to its board of directors, effective immediately. Her appointment follows the board's decision to increase its composition from six to seven members. Morris has more than 30 years of business leadership within the restaurant industry, with a diverse background that includes public companies, start-ups, not-for-profit organizations and board positions. Currently, she is one of the managing directors for Axum Capital Partners, a private equity firm focused on education services and restaurants, where she leads the restaurant strategy practice. Additionally, Morris is chief executive officer and a partner in Range Restaurant Group, which owns and operates two CityRange restaurants in Greenville and Spartanburg, S.C. She also serves on the board of directors of Tractor Supply Company. Previously, Morris served as president of Red Lobster and president of Quincy's Family Steakhouse. She also led the development and opening of a chef-driven, casual dining concept, CityRange, while at Advantica, the owner and operator of Quincy's Family Steakhouse. In 2005, Morris was asked to serve as president of the James Beard Foundation. "We are delighted to have Edna join the Einstein Noah Restaurant Group as our newest board member. Edna is a highly respected restaurant executive with proven board expertise and a passion for the restaurant industry," said Nelson Heumann, chairman of the board for Einstein Noah. "We look forward to benefitting from her contributions as we position Einstein Noah for continued success." – Source: FastCasual.com.



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Late-Night Sales on a Roll for U.S. Fast-Food Outlets

Fast-food chains are extending their hours to feed a burgeoning market of night owls and ultra-early risers and help wring more sales out of their existing restaurants. At McDonald's Corp.—which reported another quarter of strong earnings Tuesday—the hours of midnight to 5 a.m. are the fastest growing time segment in its U.S. business. Nearly 40% of its U.S. outlets are now open around the clock, up from about 30% seven years ago. Nearly 40% of McDonald's U.S. outlets are now open around the clock. Burger King Holdings Inc., which requires its U.S. restaurants to remain open until midnight on Fridays and Saturdays, and until 11 p.m. the rest of the week, now has several hundred restaurants around the country open 24 hours, according to a spokeswoman. And Dunkin' Donuts has doubled its number of 24-hour restaurants in the past 10 years, with nearly a third of its more than 7,000 U.S. outlets now open all day and night. Industry executives and analysts say the trend is driven partly by changes in the American work force. One-fifth of all employed Americans now work mostly in the evening, at night or on a regularly rotating schedule, according to Harriet Presser, a University of Maryland sociology professor and author of the book, "The Economy that Never Sleeps." "Whether it's taking on an additional job or just working a late shift, we're seeing more people out later at night," says Steve Levigne, McDonald's vice president of consumer and business insights. The company wouldn't disclose what percentage of overall sales come between the hours of midnight to 5 a.m., but said those hours have experienced double the growth rate of its lunch or breakfast business. Pat Treffiletti, a franchisee who owns four McDonald's in Albany, N.Y., was taken aback when a student in a college class he addressed a few years ago asked him why he couldn't get a Big Mac at 3 a.m. "I said it's because we're not open," he responded. He decided to see if there was any reason to be open at that hour, so he drove around the city late at night and was surprised by how much traffic he saw on the streets. Health-care centers were open late and delivery drivers were dropping off goods at stores. "I started talking to my customers and they said they'd love it if we'd be open late. Customers' lifestyle patterns have changed dramatically. Years ago, convenience was about having the right location. Now it's a lot more than that," he says. Mr. Treffiletti, who put two of his restaurants on a 24-hour schedule two years ago and a third 18 months ago, recently began offering a limited breakfast menu after midnight, in addition to burgers and fries, since some people are just starting their day when they come in and others are ending it. Fast food chains are extending their hours to feed a burgeoning market of night owls and ultra-early risers and help wring more sales out of their existing restaurants. McDonald's said one reason for its growth in the latest period was its efforts offer more convenience, which includes things like extending hours. For the fourth quarter ended Dec. 31, McDonald's beat analyst expectations with profit of \$1.38 billion, up from \$1.24 billion a year earlier, on revenue of \$6.82 billion, which was up 9.8% from a year earlier. The company forecast global same-store sales in January will be up 5.5% to 6.5%, after rising 7.5% in the fourth quarter. He says his wee-hour customers are a mix of college students seeking a bite after the bars close, late-shift workers, some of whom have taken on second jobs to make ends meet, and elderly patrons who are up early at 2 a.m. on a recent Friday, more than 20 customers were dining inside a 24-hour McDonald's on Chicago's North side. Ernest Roberson, a security guard at the McDonald's, said the customers usually consist of bar hoppers and homeless people, but also a steady stream of police officers, transit workers, parking attendants and construction workers. "This time in the morning it's about the only place you can eat," said Mike Pittman, a 65-year-old construction worker eating a cheeseburger on his break. He's been working nights renovating a nearby store, and has been frequenting this McDonald's on his break. To some degree, McDonald's and others are just satisfying late-night appetites that have long had few options. But companies say market research shows demand is growing. Dunkin' Donuts, long a morning destination, has been pushing deeper into the evening because "our research and feedback from franchisees indicates we're seeing very strong growth in the evening hours," says John Costello, chief marketing and innovation officer for Dunkin Brands Group Inc. He declined to break out specific sales trend information. "I think we really have moved to a clockless day," Mr. Costello said. "People are working longer hours, in many cases multiple jobs, and are more

time-starved than ever before and they want the flexibility to have a full variety of products that aren't limited by time of day." – Source: The Wall Street Journal.

Figaro's Acquires Nick-N-Willy's Pizza Chain

Figaro's Italian Pizza, Inc. announced today that it has completed the previously announced acquisition of the 17-unit Nick-N-Willy's chain of baked and take & bake pizzerias. Nick-N-Willy's started in Colorado in 1988. Today, it is known for the highest quality pizza, offered in nine states from Wisconsin to California. Ron Berger, Figaro's chairman and CEO, said today that he had been looking at acquiring the chain since 2001, wanting to add its gourmet pizzerias to the Figaro's collection of top-quality pizza restaurants. "We are so excited that we now own the No. 1 and No. 2 top quality take & bake brands," Berger says. "And we seek other such brands, both take & bake as well as baked, as we grow our business. The acquisition complements our existing base of stores, in line with our strategy to grow top pizza brands." Figaro's restaurants are located in nine U.S. States from coast to coast, as well as in three foreign countries. The company is based in Salem, Oregon. – Source: QSR.

Alsea to Open 50 Starbucks Stores In Mexico This Year

Mexican casual-dining operator Alsea SAB expects to spend about \$25 million this year to open 50 new Starbucks Stores in Mexico, and sees double-digit percentage growth for both overall sales and same-store sales given the relative strength of the local economy. Federico Tejado, the head of Starbucks Mexico, said Monday that sales growth this year should be similar to 2011, with overall sales expected to rise 23% and same-store sales to rise 11%. Starbucks Mexico is a joint venture between Alsea and Starbucks Corp. Tejado said there is still plenty of room to grow in Mexico, since average coffee consumption is only 1.7 kilograms per person per year. In some coffee markets, that figure is as high as 4.5 kilograms, he added. In terms of the economic climate, Tejado said Latin America in general is doing pretty well and the future looks promising for purchasing power. The growth in the region is a sign that "it's our moment," he said. Despite rising prices for coffee and milk, Tejado said Starbucks plans to keep any price increases this year below inflation. Economists estimate that inflation this year should be between 3% and 4%. Starbucks is also working on keeping its loyal customers. Tejado launched the Mexican version of the "My Starbucks Rewards" program, which the company expects to have an average of about 600,000 card-carrying members in three years. Benefits include no extra charge for soy milk and other "personalized," refills on the coffee of the day, and one free drink for every 15 drinks purchased. Tejado said the program was modeled on Starbucks reward programs in other markets like the U.S., and expects the program to pay for itself by bringing in more traffic and keeping customers from buying their coffee elsewhere. Starbucks cafes and kiosks also are finding their way into more office buildings, hospitals and universities, he said. And the company is adding products for home use, planning to sell more products at supermarkets and promoting interaction in social media. – Source: Dow Jones Newswires.

Turnover and Tech Should Be Top Concerns in 2012. Managers Should Focus on Technology and Holding on to Talent

Changes are in store for the foodservice industry this year, and foodservice leaders will be tasked with making the necessary changes to ensure their operations continue to run smoothly. Higher rates of staff turnover, an increased focus on customer service and the growing importance of technology will all be prominent in 2012. Here are some things to keep in mind. Flexibility is key to retaining valued employees. With the slow improvement of the job market, many foodservice employees don't feel the same pressure to hold onto their jobs that they did just a few years ago. With voluntary turnover expected to increase this year, managers should take precautions to hold onto their most valuable team members. "In 2012, HR efforts need to be focused on attracting and re-training top quality hires. There is a growing emphasis on schedule flexibility and professional growth opportunities in foodservice HR," Nate DaPore writes on PizzaMarketPlace.com. To encourage employees — both old and new — to stick around, let them know how much you value them and provide unique opportunities to let their individual talents shine. "I try to replace the motto that everyone is replaceable. I want people to feel that they're part of our family and that they are not replaceable," Nancy Batista-Caswell, owner of Ceia Kitchen + Bar in Massachusetts, told Restaurant Management. She uses different activities to keep her staff interested, such as a contest to see who can

sell the most wine or the opportunity to teach an in-house wine class. Competition for customers is stiff. Consumers are still picky about where they spend their dining dollars, and most expect stellar customer service from any establishment that's going to get their hard-earned cash. "To meet customers' expectations and maintain their loyalty, restaurants' service efforts will need to set them apart from competitors," DaPor writes. To make sure Russo's Coal-Fired Italian Kitchen stands out in the crowd, owner David Martinez explains in QSR Magazine that he makes sure to spend plenty of time on the floor with customers, and gives some unique advice to employees when telling them how to treat guests. "A common example of good customer service is telling your staff to treat them like you would treat family. The problem with that is some people might take that with a more relaxed attitude. I tell my staff to treat every customer as if they were my family," he said. Experiencing your own business from a customer point-of-view is crucial to making sure things are running the way they should. "If you're at the corporate level, just because you eat quick-serve doesn't mean you know how to run one, and you especially don't know how to deal with customers," said Martinez, who recommends taking a turn on the floor as an employee to gain valuable insight that can be used for training new hires and improving customer service. Let technology work for you. When it comes to the customer-service experience people expect, an increasing number of customers are looking to interact with a computer. Automated menus, online ordering and mobile technology are constantly making it easier for diners to pick where they want to eat, and to place an order once they decide. These tech options can make it easier for restaurants, too, if managers and employees know how to use them. Automated menus that use tablets such as the iPad or E la Carte's Presto can bring a lot to the table. "Besides making the dining experience fun, Presto also has advantages for the restaurant. It tends to result in more ordering because you don't have to wait to track down the waiter. Presto also has extensive analytics to give an idea of what menu items are generating the strongest profits," writes Tom Taulli. – Source: SmartBolg on Restaurants.

Jack in the Box to Open First Restaurant in Indiana

American hamburger restaurant chain Jack in the Box is set to open its first location in Indianapolis, Indiana, in the US. The new location will mark the chain's first restaurant in the state. The new restaurant, managed by Angie McCormick, will offer an expansive menu ranging from premium items like 100% sirloin burgers, chicken teriyaki bowls, and real ice cream shakes to a wide range of value-priced items, like two delicious tacos. The outlet will feature the quick-serve chain's newest restaurant design, with such amenities as decorative pendant lighting, ceramic tile floors, graphic wall hangings, and a mix of seating styles, including booths and high-top tables. It will also feature 24/7 drive-thru and dining-room service. – Source: Food Business Review.

Del Frisco's Steak House Is Going Public-Seeks \$100 Million

You may soon be able to get a juicy piece of Del Frisco's in the market. Del Frisco's Restaurant Group LLC has filed its S1, its first step to listing on a public exchange, seeking to raise \$100 million in stock. The operator of Del Frisco's, Sullivan's Steakhouse and the "new concept" Del Frisco's Grille says it has 31 restaurants and made \$9.9 million in the four-quarter ended September 6, 2011, more than double what it made in the same period in 2010. During that time, it brought in \$186.4 million in revenues, 16% growth from the prior year period. The average check, one of the company's six measures of performance, at Del Frisco's was \$98, while Sullivan's was \$58, according to the filing. The company also chooses to measure performance by comparable restaurant sales; average unit sales; guest counts and a few adjusted income figures that back out restaurant-specific costs like opening new locations. The big winner appears to be private-equity company Lone Star Fund LP, though the size of Lone Star's stake is not reported but it will get \$3 million of any proceeds. Deutsche Bank and Piper Jaffray are running the offering. – Source: The Wall Street Journal.

Starbucks to Add Alcohol at More Cafes to Lure Evening Customers

Starbucks Corp., the world's largest coffee-shop chain, will sell beer and wine at more locations to lure customers during the slower afternoon time. The chain, which first served alcohol in October 2010 at a Seattle store, will sell beer and wine in as many as 25 locations by the end of this year, the Seattle-based company said in a statement today. Stores in Chicago, Atlanta and Southern California are among the new locations, Starbucks said. The specific stores have been "carefully selected" and are larger and have more seating than regular Starbucks sites, Clarice

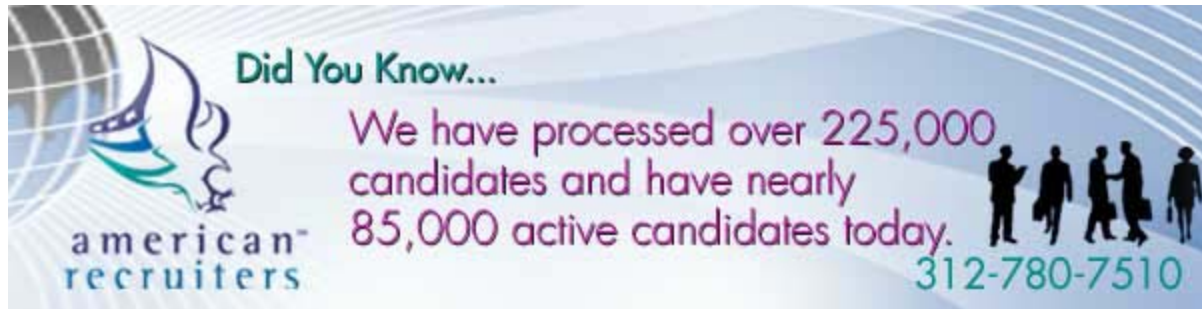
Turner, senior vice president of U.S. operations, said in an interview today. Starbucks also is selling fruit-and-cheese plates and focaccia with olive oil at the stores that serve alcohol, she said. The company isn't considering the concept for the whole chain, Turner said. "It won't be at every Starbucks store ever," she said. At the six stores that currently sell alcohol in Seattle and Portland, Oregon, beer is \$5 and glasses of wine are \$7 to \$9. – Source: Bloomberg.

McDonald's Experimenting with Raft of Technologies in UK Trial

Burger chain McDonald's is using the UK as the base for a trial of four cutting-edge stores involving a raft of innovative technologies that it intends to roll out around the world. Speaking at the Wincor Nixdorf Executive Briefing in New York – alongside the NRF Convention & Expo - Mark Fabes, IT director for McDonald's Restaurants, stated that the UK was now leading on customer technology, which represents a radical departure from 2004 when he says the business was "on its knees". As part of its 'Spirit of Family' trial the company has four outlets around the UK that are the test-bed for initiatives in both the front-of-house and the kitchen. Each restaurant is fitted out with Wincor Nixdorf self-service kiosks that Fabes says enable customers to order at their own pace and which are particularly popular with families. All orders are then transferred onto an order board at the front counter that shows if a customer's food is ready or being prepared. Also at the front counter is a screen that shows images of what has been ordered thereby allowing any incorrect orders to be picked-up. With free wi-fi and contactless payment platforms already in place in all McDonald's UK stores Fabes says there is the potential for handheld ordering technologies to be implemented. By taking NFC technology he recognises the "massive opportunity for queue busting and taking additional orders from up-selling". Utilising this wi-fi are the 16 iPads that have been installed in the four trial stores. "They've been a big hit with children as lots of people do not have access to the internet [at home]. We had three stolen in the first week!" he says. Also appealing to children are the interactive surfaces that enable games to be played on the surface of specific tables, and for more active games-playing there are the interactive floors. "We're adding to the time people spend in-store so they'll order extra coffee, a dessert and since the kids are running around like mad they'll get thirsty," says Fabes. New technology is also being utilised in the back-office with a workforce management tool combined onto a single platform with the training programmes of each member of the crew. The crew rooms also have two PCs installed that provide the ability for work scheduling, online learning, and access to Facebook. These various initiatives have resulted in sales rising by 18% and Fabes confirmed four or five more stores will be added to the trial. "The UK is the trial country but it's being developed for global use. Consumers are connected and we've got to be prepared for this," he suggests. – Source: The Retail Bulletin.com.

Le Duff America Appoints Jim Vinz to Co-CEO

Le Duff America Chairman and Co-Chief Executive Officer, Claude Bergeron, announced the appointment of restaurant and hospitality industry veteran Jim Vinz as Co-CEO of Le Duff America, the North American management company of café brands that include la Madeleine Country French Café, Bruegger's Bagels, Timothy's World Coffee, and Brioche Dorée. Vinz will provide substantial support to the management teams and the president of each of the divisions as well as to sister company, the second largest bakery-café company worldwide, French-based Group Le Duff in Europe and South America. With three decades of experience, Vinz formerly served as president of Corner Bakery Café, growing the brand from five Chicago-based restaurants to a nationally recognized bakery-café leader overseeing cafes across the U.S. Over his 16 years with Corner Bakery Cafe, he led the development of the brand's acclaimed catering strategy and substantial franchise program growth. Vinz also served as vice president of operations for Bay Street Restaurants. "Jim Vinz's vision and experience strengthens our leadership in North America's bakery-café segment and will enhance our collective brands," Bergeron says. "Vinz is an ideal addition to our team and I look forward to working with him to forge new initiatives, catapult our growth, and continue to offer superior guest experiences." "Partnering with Claude Bergeron to lead Le Duff America and bring together the strengths of Bruegger's, la Madeleine, Timothy's World Coffee, and Brioche Dorée, as we are poised for great franchise growth, is a very exciting opportunity," Vinz says. In addition to his professional work, Vinz is very involved in industry forums and consortiums, including People Report and Share our Strength. Vinz is active in organizations addressing childhood hunger and serves as chairman of the Dine Out for No Kid Hungry program. His personal commitment is to end U.S. childhood hunger by 2015. – Source: QSR Magazine.



The Wendy’s Company Names R. Scott Toop as General Counsel

The Wendy’s Company announced the appointment of R. Scott Toop, 57, as Senior Vice President, General Counsel and Secretary and a member of its Executive Leadership Team, effective today. Toop will report to Wendy’s President and Chief Executive Officer Emil Brolick. A proven leader with extensive strategic legal and business experience, Toop has served as Executive Vice President and General Counsel for Tim Hortons Inc., in Oakville, Ontario, since 2009. During his tenure with Tim Hortons, he provided oversight of global legal functions; led the development of corporate and international strategic plans; and successfully re-aligned the legal team to more effectively support the firm’s business units. Prior to joining Tim Hortons, Toop worked for 12 years at Yum! Brands, Inc. and its predecessor, Tricon Global Restaurants, Inc. At Yum and Tricon, he served from 2005 to 2009 as Vice President and Associate General Counsel; and from 1997 to 2005 as Vice President and General Counsel, Kentucky Fried Chicken. While at Yum, Toop was a three-time recipient of the Chairman’s recognition award for outstanding performance. “I have known Scott for many years and I highly respect his legal expertise, business acumen and passion for excellence. He is a ‘Five-Star’ performer. Scott’s extensive global restaurant experience will be invaluable to our leadership team, Board of Directors and entire organization as we work to grow the Wendy’s brand,” Brolick said. Toop’s background also includes extensive experience with PepsiCo, Inc., where he served as Vice President and Division Counsel, Kentucky Fried Chicken; International Counsel; and attorney for Pepsi-Cola Bottling Group. Prior to joining PepsiCo, he served as a corporate associate with Donovan Leisure Newton & Irvine in New York City. New York. – Source: The Wendy’s Company.

Dunkin' Donuts to Open 12 New Restaurants in US

Dunkin' Donuts, an American coffee and baked goods chain owned by Dunkin' Brands, has signed a multi-unit store development agreement with existing franchisees, Savoureux Corporation, to open 12 new restaurants in North Omaha, Nebraska and Sioux City, Iowa. The first restaurant is expected to be opened in 2013. Savoureux is led by Kris Brown, Zach Wiegert, Jeff Woodbury, and David Scott. In April 2011, Savoureux Corporation agreed to develop five Dunkin' Donuts restaurants in North Kansas City. Dunkin' Brands vice president of franchising and market planning Grant Benson said that Dunkin' Donuts is excited to expand into Omaha and Sioux City. "Our secret to success is our passionate franchisees who provide a high-level of customer service to our guests every day," Benson added. – Source: Food Business Review.

More Changes at Church’s Chicken to Support Continued Growth and Expansion

Church’s Chicken® Chief Executive Officer Jim Hyatt, after only four months at the helm of the globally recognized chicken QSR chain, announced key talent acquisitions and promotions to its leadership team. “As we move forward to strengthen our brand globally and relentlessly work on improving restaurant operations and profitability for all our stakeholders, it’s important to continue to bring the right mix of experience, strategic foresight and drive to our team,” said Jim Hyatt. Effective immediately, the new leadership team members and promotions are as follows: Edward Brett, Executive Vice President, Chief People Officer joins Church’s after having served as a consultant for the brand in 2011. Prior to joining Church’s, Mr. Brett was the Executive Vice President of Human Resources and Community Affairs for Macy’s, Inc. Central Division in Atlanta. He also served in senior positions in Human Resources at Gaylan’s Trading Company and Circuit City. As Chief People Officer, Mr. Brett’s responsibilities include HR operations, improving talent acquisitions and development and employee relations. He reports to CEO

Jim Hyatt. Edward Williams, Vice President, Company Operations most recently was at Burger King Corporation with the same title. He will be responsible for deploying key initiatives and multi-unit operator development as well as sales and profit improvement for 250 company owned restaurants. The multi-unit infrastructure includes 32 market leaders and 3 zone directors. Mr. Williams reports to Jim Bowie, President, U.S. Operations. Zack Kollias has been promoted to Executive Vice President, International Operations. Mr. Kollias joined Church's in 2005 and has led the international team since 2006. His responsibilities include overseeing operations, restaurant development, purchasing, training, marketing and new product development for 442 Church's /Texas Chicken franchise restaurants in 21 countries. Mr. Kollias reports to Jim Hyatt, CEO. Marcus Wasdin, has been promoted to Vice President, Information Systems and Learning Technology. In his new role Mr. Wasdin will be responsible for aligning the company's information systems to achieve the brand's goals and objectives. This includes optimizing internal and external resource systems in support of global company and restaurant operations. He will report to Dusty Profumo, Chief Financial Officer. – Source: Church's Chicken.

Central Florida Red Lobsters to Get Maine Makeover

Twenty Red Lobsters throughout Central Florida have begun getting a new, more sophisticated style meant to evoke a coastal Maine village. The renovations should be done by spring, giving all of Central Florida's Red Lobsters a more polished look that includes darker wood, stone finishes and modern lighting. A few Central Florida restaurants already have the new look, which made its debut in 2007. Newer restaurants in Clermont and The Villages were built in the modern style, and stores in Sanford and Kissimmee were remodeled earlier. Orlando-based Darden Restaurants, which owns Red Lobster, studied sales in the renovated restaurants to determine the pace of remodeling nationwide. The company's nearly 700 Red Lobsters across North America are now expected to have the new designs by 2014. Most of the Central Florida facelifts recently started, except in the Daytona Beach area, where they should begin next week, Red Lobster spokeswoman Erica Jaeger said. Darden also recently finished remodeling its LongHorn Steakhouse restaurants, taking out the clutter and giving dining rooms more refined atmosphere. And the company is bringing its older Olive Gardens into the style of newer ones designed to resemble Tuscan farmhouses. At Red Lobster, the new looks are part of a larger reinvention effort meant to lure more sophisticated diners. Red Lobster also has featured dishes cooked on wood-fire grills and last year launched a new ad campaign and a new logo. The changes appear to have worked so far as Red Lobster's once-lagging sales have improved dramatically. During Darden's second quarter that ended in November, they jumped 8.3 percent. "Red Lobster certainly has tremendous momentum," Darden chief executive officer Clarence Otis told analysts last month. "We're delighted about that." – Source: Orlando Sentinel.

Fast Casual Segment Heads Into Q1 with New Store Openings

Fast casual chains such as Baja Fresh, Fuddrucker's and MOOYAH are among several concepts starting the New Year with new openings across the United States. The openings symbolize the continued success of the fast casual segment, which saw unit growth of 5 percent during the 2011 fourth quarter. In Fall 2010, fast casual chains tracked by market research firm NPD Group, accounted for 13,364 locations. In Fall 2011, the number of fast casual restaurants grew to 14,031. "Strong performance and above-average unit economics have provided increasing appeal and investment by entrepreneurs in this part of the restaurant industry," said Darren Tristano, vice president at research firm Technomic. "Consumer demand for better quality food served, a contemporary experience and reasonable price points have fueled unit growth activity as many emerging chains continue to strive for a dominant leadership position within each fast casual menu category." Domestic growth is a positive sign of things to come for the segment this year, as several chains used 2011 to embark on international expansion plans. To start off the year stateside, Baja Fresh has announced a new opening in Los Gatos, Calif., that also will unveil a new "Guest Choice" store prototype that encompasses the chain's latest restaurant design, service and customizable menu. A new interior design includes the use of natural wood, stone and warm colors, in addition to a more accommodating seating plan. Additionally, the menu has been designed to incorporate more customization and healthier options, such as wheat tortillas. Finally the guest will experience a new service style with entrees delivered tableside. While the chain is not unveiling a new design, Freebirds World Burrito will spend 2012 expanding its presence in California. To do this, the company has announced a Jan. 12 opening in Temecula, which will bring the total number of locations in the state to 10. Sara Barker, marketing and communications representative for Freebirds parent company, Tavistock Restaurants, said the company plans to open 20 locations in 2012, primarily in the Sunshine State. "In California, we

are looking all around the state, with planned openings (leases executed) in Temecula, Folsom, Foster City, Huntington Beach and San Jose," she said. Meanwhile, the chain also will continue with its expansion plan in Texas and is looking to open this year in the markets of Houston, Rosenberg, Conroe, Fort Worth and San Angelo. **Burger business.** The better burger category has been one of tremendous growth for the segment, with concepts opening or expanding among the likes of Fuddrucker's, MOOYAH, Five Guys, Tom & Eddie's, The Habit and Smashburger. After several years of slumping sales and an acquisition, Fuddrucker's is back on the growth track. The concept opened in Del Rio, Texas, in a location previously occupied by Luby's Cafeteria. Fuddrucker's was acquired by Luby's in June 2010 for an estimated \$63 million. The acquisition created several growth opportunities for both brands and the new restaurant represents the second Fuddrucker's location for franchisee MCM Restaurants Del Rio LLC, which also owns and operates the nearest store in Eagle Pass, Texas. MOOYAH saw record growth in 2011 through the expansion out of its home state of Texas into California, Connecticut and Tennessee. However, it rings in 2012 with development contracts and agreements in place for more than 300 units. This year, the brand plans to nearly double the number of existing units, adding locations in Alabama, Arkansas, Florida, Kansas, Louisiana, Oklahoma, Virginia, Maryland and Washington D.C. "We are super excited about the year ahead," said MOOYAH president Alan Hixon. "A number of challenges do still exist in the world today but some of the best opportunities arise during challenging times if you are prepared to capitalize on them. We are coming right out of the gate with 14 new locations in Q1. Game on!" – Source: FastCasual.com.

Buffets Files for Bankruptcy Again

Buffets Inc., operator of Old Country Buffet, filed for bankruptcy protection Wednesday for the second time in four years and will close about 16 percent of its restaurants as part of another financial retooling. Eagan-based Buffets' latest bankruptcy comes as the restaurant industry continues to suffer from a weak economy -- with chains including Perkins and Sbarro also going bankrupt over the past year. The buffet sector has been hit particularly hard, both by increasing health concerns among consumers and competition from "casual dining" chains like Applebee's and Chili's, said analyst Dennis Lombardi of restaurant consultant WD Partners. "The 'all-you-can-eat concept' doesn't play well for consumers who are trying to watch their weight -- it doesn't play well with obesity issues," Lombardi said. Buffets is the nation's largest steak and buffet restaurant company, with 494 restaurants in 38 states and 22,800 employees nationwide. In addition to Old Country, it operates such chains as HomeTown, Fire Mountain and Tahoe Joe's Famous Steakhouse. The company filed for Chapter 11 bankruptcy, which allows it to continue operating as it reorganizes. The firm has already reached an agreement to restructure its debt with major creditors. It also will soon close 81 underperforming restaurants, the locations of which weren't disclosed. Buffets said it has the "full support" of senior lenders who hold 83 percent of its debt for a plan that will eliminate all of the company's approximately \$245 million of outstanding debt plus interest payments of about \$30 million. It anticipates being able to exit Chapter 11 within six months, and existing lenders will get 100 percent of new common stock. The Chapter 11 filing was made in U.S. Bankruptcy Court in Delaware. The buffet and cafeteria segment of the restaurant business has been underperforming compared with the rest of the industry for a number of years, Lombardi said. In 2011, while overall industry sales were flat, sales in the buffet segment declined by high single digit percentages. Buffets first filed for Chapter 11 in January 2008, suffering from a slowing economy and high food and energy costs. It emerged in the first quarter of 2009 with its debt load significantly reduced. But the company "continued to be adversely affected by the sluggish U.S. economy," it said in its current bankruptcy filing. Buffets was publicly traded until 2000, when it was purchased by the New York private equity firm Caxton-Iselman, now CI Capital Partners, in a highly leveraged deal worth \$643 million. Caxton lost its equity in Buffets during the first bankruptcy. The company emerged primarily owned by creditors, bankruptcy records indicate. Buffets' largest equity owners are Credit Suisse Securities and J.P. Morgan Clearing Corp. In this bankruptcy go-round, Credit Suisse also appears to be the firm's major secured creditor. The company said in May that it was exploring strategic options, including a possible sale. CEO Mike Andrews said in a news release that the latest trip to bankruptcy court is the culmination of that review. Lombardi said the greater ability to alter leases in Chapter 11 makes it easier to close restaurants. That's a key factor in several other restaurant bankruptcies in the past year. "I don't think [Buffets] will be the last Chapter 11 in the restaurant industry," Lombardi said. "I don't think we're done going through the wringer." – Source: Star Tribune, MN.

NPC International, Inc. Announces Agreement to Acquire 36 Units from Pizza Hut, Inc.

Consistent with NPC International, Inc.'s objective to continue its growth within the Pizza Hut system, NPC announced today that it had entered into an Asset Sale Agreement (ASA) with Pizza Hut, Inc. and affiliates (PHI) pursuant to which NPC has agreed to purchase from PHI 36 Pizza Hut units for \$18.8 million in cash, plus an additional amount for inventory, prepaids, and store cash. The units being acquired include five fee-owned locations. This acquisition will be funded with available cash on hand and borrowings from the Company's \$100.0 million revolving credit facility. The units to be acquired pursuant to the ASA are located in and around Jacksonville, Florida and are comprised of 27 delivery/carry-out units and 9 dine-in restaurants. According to information provided to NPC, 30 of the units to be acquired generated \$27.8 million in net product sales during the 53 weeks ended December 2011; the remaining 6 units to be acquired are not included in these results because none of these units was open and/or under PHI management for a full year. NPC expects the closing to occur in February 2012 and it is subject to obtaining customary approvals. Jim Schwartz, Chairman and CEO of NPC International, Inc. said, "We are very excited to add this market to our portfolio and look forward to joining forces with the operations team in Jacksonville. These units are a perfect fit within our current geographical footprint which will allow us to leverage our existing operational infrastructure and expand our presence in the Florida market. This transaction clearly demonstrates our continued strong belief in the Pizza Hut system and our continuing partnership with our best-in-class franchisor. We expect the transaction to improve our overall credit statistics." NPC International, Inc. is the largest Pizza Hut franchisee and the largest franchisee of any restaurant concept in the United States (U.S.) according to the 2010 "Top 200 Restaurant Franchisees" by Franchise Times. The Company is also the eighth largest restaurant unit operator in the U.S. according to the 2011 "Chain Restaurant Industry Review" by GE Capital, Franchise Finance. The Company was founded in 1962 and operates 1,151 Pizza Hut units in 28 states with significant presence in the Midwest, South and Southeast. As of the third quarter of 2011, the Company's operations represented approximately 19% of the domestic Pizza Hut restaurant system and approximately 21% of the domestic Pizza Hut franchised restaurant system as measured by number of units, excluding licensed units which operate with a limited menu and no delivery in certain of the Company's markets. – Source: NPC International, Inc.

Zoes Kitchen Adds to Executive Leadership Team

As part of its extensive growth plan, Zoës Kitchen has announced major additions to the company's executive leadership team. The company named Archie Andrews as vice president of design and construction, added former Panera Bread executive Allyn Taylor as vice president of development and Rachel Phillips-Luther as vice president of marketing. Andrews, Taylor and Phillips-Luther join Kevin Miles, president and chief operating officer, Jason Morgan, chief financial officer, and Tyre Stuckey, vice president, to form the company's executive leadership team. "The completion of our executive team is a critical step in continuing to deliver industry-leading results and growing this highly differentiated fast casual concept," Miles said. "Our leadership team creates a solid foundation as the company continues to expand into new markets." Andrews joined Zoës Kitchen as an original owner in 1999. Andrews took on the role of director of construction in 2007 after the company was acquired by private equity firm Brentwood Associates. Andrews was responsible for the design and development of Zoës new concept store, an endeavor that first launched in Atlanta in 2009. During the past four years, he has led the development of more than 30 stores, including the addition of 16 locations in 2011. Andrews earned a Master of Business Administration and bachelor's degree from Louisiana State University. As vice president of development for Zoës Kitchen, Taylor will oversee the selection of the brand's new locations throughout the United States. Prior to joining Zoës Kitchen, Taylor was responsible for real estate planning and management functions for Panera Bread Company and P.F. Chang's China Bistro. As vice president at P.F.C.B. Inc., Taylor was instrumental in the company's strategic real estate planning and contract negotiations. Phillips-Luther brings nearly 10 years of restaurant marketing experience to her role as vice president of marketing for Zoës Kitchen. She formerly led marketing and branding for Kona Grill, a casual dining concept with 25 locations in 16 states. Phillips-Luther also served as vice president of marketing for Champps Entertainment Inc., where she managed marketing efforts for the company's 48 restaurants in 18 states and franchise relations for the company's small franchise community. In 2011, Zoës opened 16 stores reaching 57 locations in 12 states. The company plans continued expansion through 2012 with new restaurants slated to open in Dallas-Fort Worth, Raleigh-Cary, N.C., and Columbus, Ga., in the first quarter. – Source: FastCasual.com

KFC Trims Louisville HQ Staff

KFC Corp. has laid off employees at its Louisville headquarters, 1441 Gardiner Lane. Karen Sherman, senior director of public relations, told Business First in an e-mail that the fast-food chicken restaurant chain “made the difficult but necessary decision to reorganize KFC to reduce cost, maximize efficiencies and better reflect our current business needs.” Sherman did not disclose how many employees were laid off or what types of positions those employees filled. “While we have increased investment in some positions, we also have eliminated others at our corporate offices and in the field,” she said. “We are fully committed to dramatically improving our business performance with new product and marketing innovation and enhanced restaurant operations that will deliver a superior restaurant experience. We are doing everything possible to help support those affected by the reorganization in their transition.” In 2008, Yum cut or relocated several hundred jobs as part of a company restructuring. A number of support positions were eliminated or shifted from the corporate headquarters to the fast-food giant’s five domestic brands as Yum shed company-owned stores to reduce costs. – Source: Business First.

Carrols Restaurant Group, Inc. Announces the Appointment of Clayton Wilhite as Chairman of the Board of Directors

Carrols Restaurant Group, Inc. announced that Clayton Wilhite has been appointed non-executive Chairman of the Board of Directors. He succeeds Alan Vituli who retired as Chairman and as a director effective January 16, 2012. Mr. Wilhite, who joined the Board in 1997, is its longest serving independent director. Mr. Wilhite has spent almost 40 years in the advertising and marketing industry and prior to joining Carrols’ board he served several clients in the restaurant sector, including Burger King Corporation. As previously announced, Daniel Accordino succeeded Mr. Vituli as CEO on January 1, 2012. Mr. Vituli is expected to continue as the non-executive Chairman of the Board of Directors of Fiesta Restaurant Group, Inc. (“Fiesta”) following the spinoff of Fiesta. On behalf of the Board of Directors, Mr. Wilhite said: “The Board thanks Alan Vituli for his dedicated service in guiding Carrols over the past two and one-half decades. During his tenure Mr. Vituli took Carrols, which was then a modest Burger King franchisee, and led it to become one of the largest multi brand restaurant companies in the U.S. We and the thousands of Carrols employees across the country are grateful for all of his valuable contributions over the years.” – Source: Carrols Restaurant Group, Inc.,

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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