



Innovation Capital

Investment Bankers

Restaurant & Retail Newsweekly
For the week ended January 19th, 2014

This publication is a compilation of weekly restaurant and retail-related news provided by Innovation Capital, a leading boutique investment bank dedicated to representing mid-market clients in the gaming, leisure, restaurant and retail industries.

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Restaurant & Retail Industry Public Company & High Yield Data:

[Public Company Trading Comparables](#)

[High Yield Bond Trading Levels](#)

Featured Article:

Dickey's Barbecue Announces Largest Franchise Deal in Company History

January 17, 2014

CALIFORNIA - (RestaurantNews.com) - Dickey's Barbecue Restaurants, Inc. has struck a 100 store development deal in the southern half of California. This is the largest development deal for the 72-

year-old franchise known for aggressive growth and slow smoked Texas barbecue. "We have a proven business model coupled with an exciting growth proposition that is attracting larger development deals," said Roland Dickey, Jr., President and CEO of Dickey's Barbecue Restaurants, Inc. "We're gaining momentum in key markets that have embraced our brand.

[Click here to read the full article in RestaurantNews.com](#)

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How Do You Roll? Inks 25-Unit Development Deal

January 17, 2014

UNITED STATES - (QSR Magazine) - How Do You Roll? has inked a deal with Raj Patel of the Mid-Atlantic Restaurant Group to develop the Washington D.C., Maryland, Delaware, and northern Virginia area. Over the next eight years, Patel will sell and support the opening of 25 units targeting Washington D.C., Bethesda, Chevy Chase and Rockville, and Northern Virginia for development first. "The Washington Metro Area is one of the most diverse areas in the country and a modern ethnic restaurant like HDYR? will be very successful in this area," Patel says.

[Click here to read the full article in QSR Magazine](#)

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Umami Burger Founder to Launch New Restaurants

January 17, 2014

CALIFORNIA - (Lisa Jennings, Nation's Restaurant News) - Adam Fleischman, the founder of the growing Umami Burger chain, is lining up new restaurant brands that he hopes will take flight, including a fast-casual fried chicken concept that uses chocolate as its "crack factor." As of Jan. 1, Fleischman stepped down from day-to-day operations as chief executive of Umami Restaurant Group, though he remains chair of that company, which operates 21-unit Umami Burger and is co-developing the fast-casual pizza brand 800 Degrees.

[Click here to read the full article in Nation's Restaurant News](#)

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La Madeleine Inks Six-Unit Development Deal

January 17, 2014

TEXAS - (QSR Magazine) - La Madeleine, the French-inspired bakery café, announced a multi-unit agreement that continues to build momentum for its recently launched franchising initiative. This is the brand's second franchise agreement in its 30-year history, a move that further illuminates the concept's strength and desire to elevate its footprint in select U.S. markets with seasoned restaurant owner/operator groups. The Dallas-based restaurant company, which has a collection of 64 corporate owned bakery cafés, has completed the deal with Franklin Mountain Bistro.

[Click here to read the full article in QSR Magazine](#)

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Why a Coors Company Acquired Mad Greens

January 16, 2014

COLORADO - (Lisa Jennings, Nation's Restaurant News) - The family behind the Coors brewery has created a new restaurant venture that has acquired the better-for-you Mad Greens chain with plans to expand outside Colorado. AC Restaurant Group is the new entity created by the Coors family in a move to diversify its holdings. Darden Coors, an attorney and fifth-generation member of the prominent Colorado family who is spearheading the deal, said members of her generation have a passion for restaurants, and they see an opportunity to drive growth, particularly in the fast-casual segment.

[Click here to read the full article in Nation's Restaurant News](#)

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Corner Bakery Announces California Expansion

January 16, 2014

CALIFORNIA - (Restaurant News Resource) - Corner Bakery Cafe rounded out 2013 with a multi-unit restaurant development agreement and plans to open eight new restaurants in the Sacramento area with new franchise partner East Bay Restaurants, Inc. of Pleasanton, Calif. East Bay Restaurants Chief Operating Officer, Harsh Ghai, who also owns and operates 48 Burger King and seven Taco Bell restaurants, said he is excited to add Corner Bakery Cafe to his concepts and introduce the fast-casual brand to new fans and communities in Sacramento. The group of veteran restaurant operators plans to open its first cafe in 2014 and the remaining sites over the next five years.

[Click here to read the full article in Restaurant News Resource](#)

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Fuddruckers Growing Caribbean Footprint

January 16, 2014

DOMINICAN REPUBLIC - (FastCasual.com) - Fuddruckers is expanding its Caribbean presence. Today, the Texas-born fast casual chain will open its first Dominican Republic restaurant in Santo Domingo through a partnership with franchisee Eduardo J. Gadala-Maria and Giancarlo Bonarelli, according to a company press release. Santo Domingo is the capital of the Dominican Republic and one of the largest cities in the Caribbean. The 3,500-square-foot unit will be located in Galeria 360, one of several recently completed shopping malls built to cater to the city's increasingly upwardly mobile population.

[Click here to read the full article in FastCasual.com](#)

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Chuck E. Cheese's Chain to be Acquired by Apollo for \$1.3 Billion

January 16, 2014

UNITED STATES - (Stuart Pfeifer, Los Angeles Times) - Private equity firm Apollo Global Management has agreed to purchase the Chuck E. Cheese's restaurant chain for \$1.3 billion in cash and assumed debt, Apollo said in a news release. An affiliate of Apollo will pay \$54 a share to acquire the pizza chain's parent company, CEC Entertainment Inc. The per-share price is 11.5% above CEC's closing price Wednesday -- and about 25% its close on Jan. 7, the day before reports surfaced that the company was preparing to be sold.

[Click here to read the full article in Los Angeles Times](#)

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What Happened to Baskin Robbins?

January 16, 2014

UNITED STATES - (Venessa Wong, Bloomberg Businessweek) - With so many Americans now scooping frozen yogurt and gelato-and the rest watching their weight-Baskin-Robbins has faced dark days. The ice cream chain steadily closed stores in recent years as parent company Dunkin' Brands (DNKN) focused on an ambitious expansion of its flagship doughnut shop. The 69-year-old brand once celebrated for its 31 flavors, it seemed, was losing steam. But there are signs now that it's making small improvements.

[Click here to read the full article in Bloomberg Businessweek](#)

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Pizza Rev Welcome Four New Franchisee Groups

January 15, 2014

UNITED STATES - (QSR Magazine) - PizzaRev, a fast-casual build-your-own pizza brand, announced signed agreements with four franchisee groups covering territory in five states. "These

four exceptional franchise groups, along with our partner and first franchisee Buffalo Wild Wings, will each add tremendously to the PizzaRev story," says PizzaRev co-CEO Rodney Eckerman. The deals will bring new units to San Diego County and Orange County in California, Utah, Nebraska, North Dakota, and South Dakota.

[Click here to read the full article in QSR Magazine](#)

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Red Mango Hits Growth Spurt in 2013

January 15, 2014

MICHIGAN & KENTUCKY - (Fast Casual) - When it comes to growth, 2013 was a success for Red Mango. The chain surpassed 270 locations, which includes units across 30 states and 43 international sites throughout Mexico, Uruguay and El Salvador, according to a company press release. The chain celebrated the addition of more than 40 new franchisees to the system, the opening of 60 new stores and entry into the states of Michigan and Kentucky.

[Click here to read the full article in Fast Casual](#)

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Report: December Restaurant Sales Continue Downward Trend

January 15, 2014

CALIFORNIA - (Lisa Jennings, Nation's Restaurant News) - The combination of bad winter weather, a late Thanksgiving and a shorter holiday shopping season caused a 0.2-percent dip in restaurant industry same-store sales and a 2.6-percent decline in guest traffic in December, according to the latest NRN-MillerPulse survey. Ending the year on a downbeat note, the results marked the second month comparable-store sales were negative in nearly three years. Same-store sales also fell in February 2013 by 1.8 percent, which then was the first time industrywide same-store sales had been negative since February 2010.

[Click here to read the full article in Nation's Restaurant News](#)

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J.C. Penney to Cut 2,000 Jobs, Close 33 Underperforming Stores

January 15, 2014

UNITED STATES - (Karen Robinson-Jacobs, The Dallas Morning News) - J.C. Penney Co. said late Wednesday that it will close 33 underperforming stores in 20 states and eliminate about 2,000 jobs. The closures will help it focus resources on its "highest potential growth opportunities" as it looks to boost sales. None of the closures is in Texas. The largest target was Wisconsin, which is losing five stores in smaller markets. The actions are expected to produce annual savings of about \$65 million for the Plano-based retailer beginning in 2014, the company said.

[Click here to read the full article in Dallas News](#)

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Chanticleer Holdings Executes Agreement and Plan of Merger to Acquire Spoon Bar & Kitchen

January 15, 2014

NORTH CAROLINA - (Restaurant News Resource) - Chanticleer Holdings, Inc. (NASDAQ: HOTR), headquartered in Charlotte, North Carolina, announced today that the Company has executed an Agreement and Plan of Merger to acquire Spoon Bar & Kitchen through the purchase of all of the outstanding shares of Dallas Spoon, LLC and Dallas Spoon Beverage, LLC. Once the transaction is finalized, Dallas Spoon and Dallas Spoon Beverage will be subsidiaries of the Company. Spoon Bar & Kitchen is a fine dining seafood restaurant by Chef John Tesar.

[Click here to read the full article in Restaurant News Resource](#)

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Taziki's Mediterranean Plans for 11-State Expansion

January 14, 2014

UNITED STATES - (QSR Magazine) - Taziki's Mediterranean Café, a fast-casual Greek food-inspired chain launched in 1998 and headquartered in Birmingham, Alabama, is slated to open at least 20 additional restaurants in 2014. "Our company saw enormous growth last year," says Jim Keet, managing partner and CEO of Taziki's. "We started franchising, which has provided Taziki's the opportunity to build a larger presence throughout the United States."

[Click here to read the full article in QSR Magazine](#)

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Moe's Expanding with Multi-Unit Deal in Cali

January 14, 2014

CALIFORNIA - (Fast Casual) - Moe's Southwest Grill has signed a deal to bring 18 new restaurants to Sacramento and Santa Cruz, Calif., over the next seven years. This is Moe's first push into California and is a crucial part of the Atlanta-based brand's westward expansion plans, according to a company press release. HKM II, LLC of Roseville, Calif., headed by David Mitchell, Matt Karadanis and Rob Whitley, is behind the California expansion. The group also owns 42 quick-serve burger restaurants throughout Northern California, Southern Nevada and Arizona.

[Click here to read the full article in Fast Casual](#)

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Kono Commits to US Growth with New Deals

January 14, 2014

UNITED STATES - (QSR Magazine) - It looks like a newly introduced delicacy of pizza served in cones is here to stay. Just six months after making its American debut with a corporate-owned location in New Jersey, Kono Pizza, a quick-service franchise that sells pizza in a cone-shaped crust filled with fresh, Italian ingredients, has announced the signing of multiple franchise deals from California to New York. In all, Kono Pizza has more than 15 additional units in the pipeline as part of its newly launched U.S. expansion.

[Click here to read the full article in QSR Magazine](#)

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Freakin' Unbelievable Burgers Now Expanding

January 13, 2014

MICHIGAN - (Fast Casual) - In just its second year in operation, Freakin' Unbelievable Burgers has opened a second company-owned unit in Farmington Hills, Mich. The company invested more than \$1 million in the metro-Detroit location, which features cutting-edge technology and new customization options for guests, according to a company press release. Company-owned expansion in the metro-Detroit area is expected in 2014 along with growth from the kick-off of a franchise program.

[Click here to read the full article in Fast Casual](#)

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Hakkasan Ltd. Acquires Enlightened Hospitality Group

January 13, 2014

CALIFORNIA - (Lisa Jennings, Nation's Restaurant News) - The owners of the ultra-high-end global Hakkasan restaurant chain announced Monday the acquisition of Enlightened Hospitality Group, or EHGRP, operator of celebrity chef Brian Malarkey's restaurants primarily located in Southern California. Terms of the deal were not disclosed, but Hakkasan Ltd. has taken a controlling stake in EHGRP and its five restaurants, along with the San Diego nightclub Stingaree,

founded by EHGRP founder James Brennan. Also included was the group's catering and event-production company: Campine, A Culinary + Cocktail Conspiracy.

[Click here to read the full article in Nation's Restaurant News](#)

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First Watch Continues Strong Growth Pace for 2014

January 13, 2014

TENNESSEE & NEBRASKA - (RestaurantNews.com) - Award-winning Breakfast, Brunch and Lunch restaurant First Watch today opened new restaurants in Nashville, Tenn. and Omaha, Neb., and announced plans for a third restaurant in Lexington, Ky. to open during the spring. Each restaurant will employ approximately 25 people. The First Watch in Cool Springs is the second Nashville-area restaurant and is located at 1834 W. McEwen Drive in an end-cap space in the new Spring Creek Center in front of the Drury Plaza Hotel.

[Click here to read the full article in RestaurantNews.com](#)

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Barrington: Red Lobster Spin-off Plan Falls Short

January 13, 2014

NEW YORK - (Ron Ruggless, Nation's Restaurant News) - Activist investor Barington Capital Group LP said Monday that Darden Restaurants Inc.'s December-announced plan to spin off Red Lobster falls short, especially in taking advantage of the company's owned real estate. New York-based Barington, which represents a group of shareholders that owns more than 2 percent of Darden's outstanding shares, said in a statement that it was "disappointed" with Darden's plan, which also includes halting Olive Garden development and slowing LongHorn Steakhouse expansion.

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Local Legends

January 13, 2014

UNITED STATES - (Daniel P. Smith, QSR Magazine) - Some quick-serve chains establish their legacies through expansion far and wide. These five did the opposite. Stop a local in the Chicago area, inquire about the closest Portillo's restaurant, and you're almost certain to get directions to the Chicago-based chain's nearest location (alongside some ordering suggestions). With its signature Vienna beef hot dogs and Italian beef sandwiches, Portillo's is a Windy City icon, a beloved local favorite that many current and ex-Chicagoans speak about with reverence for its quality food, efficient service, and lively atmosphere.

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