



# Innovation Capital

*Investment Bankers*

**Restaurant & Retail Newsweekly**  
For the week ended September 18th, 2011

*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](#)

## **Amazon versus Overstock, the battle continues**

September 18, 2011

CALIFORNIA - (Dan Morain, The Sacramento Bee) - Legislators were quick to praise their handiwork brokering a compromise among Internet retail behemoth Amazon and major traditional retailers such as Wal-Mart. But as Gov. Jerry Brown decides whether to sign the bill - he probably will - other Internet retailers aren't quite so enamored, particularly folks at the Utah-based Internet retailer, Overstock.com. Please see today's column for more about Amazon and taxes.

[http://blogs.sacbee.com/the\\_swarm/2011/09/amazon-versus-overstock-the-ba.html](http://blogs.sacbee.com/the_swarm/2011/09/amazon-versus-overstock-the-ba.html)

Copyright © The Sacramento Bee

## Quiznos Coming to Vermont Convenience Stores

September 17, 2011

VERMONT - (QSR Magazine) - Quiznos announced a partnership with Vermont-based convenience and gasoline retailer, Champlain Farms, to open Quiznos restaurants inside Champlain Farms' 40 locations. The partnership is a significant milestone in the company's convenience store growth strategy and demonstrates a continued commitment to partner with strong, regional convenience store operators for success in the convenience store channel.

<http://www.qsrmagazine.com/news/quiznos-coming-vermont-convenience-stores>

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## Will the Convenience Channel Embrace Mobile Wallets?

September 16, 2011

UNITED STATES - (Melissa Kress, CS News Retail Technology) - As outgoing NACS chairman in 2006, Scott Hartman, president and CEO of Rutter's, told the crowd of more than 22,500 at that year's NACS Show that technology would play an increasingly important role in the convenience store industry, even predicting cell phones would soon replace customers' wallets.

<http://www.retailtechnology.csnews.com/top-story-will-the-convenience-channel-embrace-mobile-wallets-296.html>

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## Family-dining brands push value menus

**Cracker Barrel and Bob Evans expand meal deals as consumers' budgets tighten**

September 16, 2011

TENNESSEE - (Mark Brandau, Nation's Restaurant News) - Cracker Barrel and Bob Evans have rolled out new value menus to compete with established offerings at competitors like Denny's and Waffle House. The recent deals from family-dining chains show a renewed focus on providing value to customers whose budgets have been squeezed by higher prices at the gas pump and grocery store.

<http://www.nrn.com/article/family-dining-brands-push-value-menus?ad=news>

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## Chefs Weigh In: Has The Role of the Chef Changed?

September 15, 2011

UNITED STATES - (Gabe Ulla, Eater.com) - A few months ago, in the announcement for the Planting Thoughts Symposium in Copenhagen, Noma chef Rene Redzepi wrote, "The role of the chef is evolving and developing into a position of influence - one that impacts the manner in which people and food professionals consume and connect with food." The event, which was held last month, included celebrated food thinkers and chefs and inspired an array of responses from attendees and those observing from the outside.

<http://eater.com/archives/2011/09/15/hot-topics-has-the-role-of-a-chef-changed.php>

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## EBay Initiative Moves Onto Traditional Retail Turf

September 15, 2011

CALIFORNIA - (John Letzing, Dow Jones Newswires) - EBay Inc. (EBAY) hosted hundreds of

retailers at a tony resort in Los Angeles this week, to showcase the next big step for its PayPal unit: facilitating payments at traditional brick-and-mortar shops. PayPal, which rose to prominence as a means to buy online, set up faux grocery and hardware stores at the resort, demonstrating technology that lets users punch numbers into point-of-sale terminals and make purchases with their PayPal accounts.

<http://online.wsj.com/article/BT-CO-20110915-711499.html>

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## **First lady makes headway calling for healthy foods**

**First lady chips away at food industry, restaurants in effort to help America slim down**

September 15, 2011

WASHINGTON, D.C. - (Mary Clare Jalonick and Darlene Superville, Associated Press) - Calorie by calorie, first lady Michelle Obama is chipping away at big portions and unhealthy food in an effort to help America slim down. In the year and a half since she announced her campaign to curb childhood obesity, Mrs. Obama has stood alongside Wal-Mart, Olive Garden and many other food companies as they have announced improvements to their recipes -- fewer calories, less sodium, better children's menus.

<http://finance.yahoo.com/news/First-lady-makes-headway-apf-1540357446.html?x=0&v=10>

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## **In Wisconsin, Fazoli's Toes the Line with Table Service**

September 15, 2011

WISCONSIN - (QSR Magazine.com) - Fazoli's, the Italian restaurant popular with local families, is introducing an all-new service style and design that, when combined with its recently revamped menu, represents the future of quick-service restaurants in Wisconsin and across the country.

<http://www.qsrmagazine.com/news/wisconsin-fazolis-toes-line-table-service>

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## **Gas for McDonald's soda fountain caused Ga. Death**

September 15, 2011

GEORGIA - (Russ Bynum, Forbes) - Carbon dioxide piped through gas lines to a soda fountain leaked in a McDonald's Corp. restaurant in Georgia and sickened 10 people, including a woman who later died after being found unconscious in a restroom, police said Wednesday.

<http://www.forbes.com>

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## **Saudi restaurant fines diners for leftovers**

**The move against leftovers by Marmar Restaurant in Dammam is aimed at stopping food wastage**

September 14, 2011

SAUDI ARABIA - (Habib Toumi, Gulfnews.com) - A Saudi restaurant has started charging diners if they order more than they can eat. The move against leftovers by Marmar Restaurant in the city of Dammam in the Eastern Province is aimed at stopping food wastage and reduce extravagance by rationalising orders, said Fahad Al Anezi, the restaurant owner.

<http://gulfnews.com/news/gulf/saudi-arabia/saudi-restaurant-fines-diners-for-leftovers-1.866759>

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## Casual-Dining Accounts in Play

Midrange restaurants are looking to rebrand as economy wanes

September 14, 2011

UNITED STATES - (Andrew McMains, Adweek) - Could a rotten economy actually be good for casual-dining restaurants? Ten chains-which collectively spend about \$160 million a year in media-have reviewed their creative accounts this year, and most are still in play. The bigger spenders include TGI Friday's, CiCi's Pizza, Cracker Barrel, and Dave & Buster's.

<http://www.adweek.com/news/advertising-branding/casual-dining-accounts-play-134828>

Copyright © Adweek

## Walgreens Ranked 29th on 2011 InformationWeek 500 List, #1 in Retail -- General Merchandising Category

New health care technology innovations fuel Walgreens climb into top 30

September 14, 2011

ILLINOIS - (Press Release) - Walgreens (WAG +0.91%) today announced that it ranked 29th on this year's InformationWeek 500, a list of the top technology innovators in the U.S. Additionally, Walgreens was the highest-ranked company in the retail -- general merchandising category. The annual list was unveiled at last night's InformationWeek 500 conference in California.

<http://www.marketwatch.com>

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## ShopHouse, new Chipotle concept, to debut

September 14, 2011

WASHINGTON D.C. - (Lisa Jennings, Nation's Restaurant News) - The new ShopHouse Southeast Asian Kitchen concept is opening in Washington, D.C. on Thursday, and social media reports offer glimpses from a soft-opening preview this week. It appears that the long-awaited second concept from Chipotle Mexican Grill Inc. is just about ready for its close up, although company officials did not respond to requests for details.

<http://www.nrn.com/article/shophouse-new-chipotle-concept-debut?ad=news>

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## Sick leave legislation passes in Seattle

September 13, 2011

WASHINGTON - (Lisa Jennings, Nation's Restaurant News) - Despite opposition from the restaurant industry, Seattle on Monday joined San Francisco and Washington, D.C., as cities that will require businesses to offer paid leave to employees when they or their family members are sick. The 8-to-1 vote in support of the legislation by the Seattle City Council on Monday marked a victory for sick leave supporters, who say such mandates are catching on across the country.

<http://www.nrn.com/article/sick-leave-legislation-passes-seattle?ad=news>

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## Office Catering Opportunities Growing Beyond Lunch Meetings, Says Technomic

September 13, 2011

CHICAGO - (RestaurantNews.com) - Few restaurants and caterers would be surprised to hear that

catering orders for business and medical offices slipped during the economic downturn of the past three years. But what may be surprising is that breakfast and dinner catering usage is up noticeably since 2007, according to Technomic's recently-updated study Large Orders Off-Premise (LOOP).

<http://www.restaurantnews.com/office-catering-opportunities-growing-beyond-lunch-meetings-says-technomic/>

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## **Groupon's Hidden Influence on Reputation**

**A Groupon deal might boost sales but, it can also lower a merchant's reputation as measured by Yelp ratings, say computer scientists who have analyzed the link between daily deals and online reviews.**

September 12, 2011

UNITED STATES - (Ravi Matcha, Technology Review) - One of the biggest internet phenomena in recent years has been the rise of daily deal sites such as Groupon or Living Social. These sites offer discounts, generally of between 40 and 60 per cent, for products and services available in specific cities around the world.

<http://www.technologyreview.com/blog/arxiv/27150/>

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## **Translation app makes menus multi-lingual**

**It also offers ingredient lists, pictures and instructions about food allergies**

September 12, 2011

UNITED STATES - (msnbc.com) - Foodie culture has sent America's culinary adventurers into the deepest regions of their local ethnic neighborhoods in search of new delicacies. Unfortunately for more open-minded eaters, they often find themselves confronted with unintelligible menus written in an intimidating foreign language.

[http://www.msnbc.msn.com/id/44492610/ns/technology\\_and\\_science-innovation/](http://www.msnbc.msn.com/id/44492610/ns/technology_and_science-innovation/)

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## **Rush to Restaurant Real Estate Brings 53% Increase in Valuation: Real M&A**

September 12, 2011

UNITED STATES - (Leslie Patton, Jonathan Keehner and Tara Lachapelle, Bloomberg) - The cheapest restaurants in America are luring activist investors who are betting companies from Ruby Tuesday Inc. (RT) to Cracker Barrel Old Country Store Inc. (CBRL) can make more money selling their own real estate than food. The 10 biggest U.S. restaurants that sell for less than the value of their property, plants and equipment trade at 70 cents on the dollar, according to data compiled by Bloomberg.

<http://www.bloomberg.com/news/2011-09-11/rush-to-restaurant-real-estate-brings-53-increase-in-valuation-real-m-a.html>

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## **Lawmakers to revisit California Styrofoam ban**

**State policy-makers will pick up bill to outlaw the material in 2012**

September 12, 2011

CALIFORNIA - (Lisa Jennings, Nation's Restaurant News) - Legislation that would have made California the first state to ban the use of polystyrene foam food containers in restaurants was shelved last week, but lawmakers say they will revisit the bill in early 2012. Senate Bill 568, which would have required foodservice operators to phase out their use of polystyrene containers by January 2016,

passed the state Senate and two committees of the Assembly.

<http://www.nm.com/article/lawmakers-revisit-california-styrofoam-ban?ad=news>

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## Stores already decking their halls

September 12, 2011

UNITED STATES - (Chicago Sun-Times) - Santa's becoming a September fixture at chain stores. Christmas merchandise has been at Costco stores since Sept. 1 and will begin showing up on some Home Depot shelves Sept. 19. Kmart and Sears will begin selling Christmas trimmings Sept. 25. After rolling out Christmas merchandise in mid-October the past few years, this year Walmart will start in late September, spokeswoman Tara Raddohl says. So will J.C. Penney.

<http://www.suntimes.com/business/7614727-420/stores-already-decking-their-halls.html>

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## UFood Restaurant Group to Advance Military Channel Growth Through Joint Venture Agreement

September 12, 2011

MASSACHUSETTS - (Press Release) - UFood Restaurant Group Inc. (UFFC +15.38%) announced today that the company has signed a joint venture agreement with MBUF, LLC, a private investment group of military veterans, to focus on the expansion of the UFood Grill concept on U.S. military installations around the world.

<http://www.marketwatch.com>

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