



DATE: **March 20, 2009**

RE: **Press Release Summary**
"Shari's Restaurants Acquire Four California Locations"
March 17, 2009

The press release announcing Shari's acquisition of the Bakers Square locations generated coverage from many outlets, in addition to the regular websites that post the press releases.

The reporter I spoke with from the Portland Business Journal expressed her excitement to receive it, because growth was a pleasant change from all the negative business news they have been reporting.

Attached are the following ...

- Shari's Press Release
- Portland Business Journal
- San Francisco Business Times
- Nation's Restaurant News
- Chain Leader

--David
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For Immediate Release:

Shari's Restaurants Acquire Four California Locations

(Beaverton, Oregon – 3/17/09) – Shari's, the Northwest's leading chain of 24-hour family dining restaurants, has completed the acquisition of four Bakers Square restaurants from VICORP Restaurants Inc. These locations are located throughout the San Francisco bay area in the communities of Livermore, Castro Valley, San Bruno and Rohnert Park.



"This is an exciting growth step for Shari's, further extending our reach beyond our core restaurants in the Pacific Northwest," said Bruce MacDiarmid, CEO of Shari's Restaurants. "Shari's focus on quality food, and warm welcomes, resonates universally with guests in our segment. Tough economic times create opportunities for strong, well-positioned brands like Shari's."

As the locations convert to the Shari's brand over the coming weeks, customers will enjoy the addition of 24-hour service, new menu items, and a continued focus on providing delicious award-winning pies. Shari's pies have won awards at the National Pie Championships every year since 2002.

Current customers will also enjoy quality service from familiar faces, as existing team members will become part of the Shari's family. The addition of these four restaurants will increase Shari's locations to 105 restaurants in six states. In California, Shari's is currently operating locations in Sacramento and Red Bluff.

About Shari's Restaurants: Shari's (www.sharis.com) is the largest full-service restaurant chain based in the Pacific Northwest. Founded in 1978 and operated by Shari's Management Corporation of Beaverton, Oregon, Shari's Restaurants provide customers high quality, reasonably-priced meals 24-hours a day in a comfortable surrounding. Shari's menu features a full selection of breakfasts, salads, gourmet sandwiches, hamburgers, dinner entrees, desserts and pies. Shari's employs nearly 4,500 employees at 105 locations throughout Oregon, Washington, California, Wyoming, Idaho, and Nebraska.

**PORTLAND
BUSINESS JOURNAL**

Tuesday, March 17, 2009, 2:01pm PDT

Shari's Restaurants buys four California restaurants

Portland Business Journal

Shari's Restaurants said Tuesday it has acquired four restaurants in the San Francisco Bay area.

The four Bakers Square restaurants were acquired from VICORP Restaurants Inc. for an undisclosed price. VICORP and Shari's are former corporate siblings, having been owned by **Fairmont Capital Inc.**, a private equity firm based in Orange County, Calif. The fund has since sold both restaurant chains.

Beaverton-based Shari's was sold in 2005 for \$80 million to an investment group that included Circle Peak Capital, Sankaty Investors, **Falcon Investment Advisors**, **The Carlyle Group**, Magnetar Capital and Shari's management.

Since then, the chain has added 13 new locations, including the four restaurants in San Francisco.

"This is an exciting growth step for Shari's, further extending our reach beyond our core restaurants in the Pacific Northwest," said Bruce MacDiarmid, CEO for **Shari's Management Corp.**

The Bakers Square locations will convert to the Shari's brand in the coming weeks.

Shari's operates in six states Western states and employs nearly 4,500 people.

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SAN FRANCISCO Business Times

Tuesday, March 17, 2009, 1:47pm PDT | Modified: Wednesday, March 18, 2009, 6:57am

Shari's picks up four Bay Area restaurants

San Francisco Business Times - by [Steven E.F. Brown](#)

Restaurant business **Shari's Management Corp.** bought four Bakers Square locations in the Bay Area.

Shari's, based in Beaverton, Ore., has 4,500 workers at 105 restaurants (including these four) in Oregon, Washington, California, Wyoming, Idaho and Nebraska. The four Bakers Square restaurants, which Shari's bought from Denver-based **Vicorp Restaurants Inc.**, are in Livermore, Castro Valley, San Bruno and Rohnert Park. Vicorp also operates Village Inn restaurants.

They will be changed over to the Shari's brand in the next few weeks, joining the company's existing California restaurants in Sacramento and Red Bluff, just off Interstate 5 and Highway 99 on the way from Sacramento up to Redding.

Shari's, led by CEO Bruce MacDiarmid, didn't give a price in the deal.

David Archer, a Shari's spokesman, told the *San Francisco Business Times* that the company sees the economic crisis as a "greater opportunity to grow through acquisitions as other restaurant groups attempt to divest some of their units."

Since the Shari's in Sacramento is "one of the strongest in the chain," Archer said, the company sees Northern California as a good place to expand.

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Daily NewsFax

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Thursday, March 19, 2009

JUST IN

NEW YORK — After suffering from cost inflation last year, relief from sky-high commodity and energy costs is here, and restaurant bottom lines should stand to benefit from deflated prices by the second half of this year, said UBS Securities analyst **DAVID PALMER**. In a note to investors Wednesday, Palmer projected that most chains could see flat year-to-year cost levels by the June-ending second quarter and deflationary levels by the September-ending third quarter. Leading the commodity decrease is significantly lower year-to-year costs for seafood, produce and wheat, Palmer said. Milk and cheese prices are down about 40 percent year-to-year. Hamburger prices are about flat, Palmer noted, and market prices for chicken are slightly up from a year ago. Lower energy inflation also can help restaurants in the form of reduced energy, packaging and distribution costs, along with lower gas prices for consumers, which may spark discretionary spending.

BEAVERTON, Ore. — The 105-unit Shari's restaurant chain has acquired four locations of the bankrupt **BAKERS SQUARE** brand in the San Francisco Bay area, expanding its presence in California, officials confirmed Wednesday. **SHARI'S MANAGEMENT CORP.**, parent to the family-dining Shari's brand, plans to convert the Bakers Square restaurants to Shari's within the next few weeks. The restaurants are in the California towns of Livermore, Castro Valley, San Bruno and Rohnert Park. The four new Shari's locations will add to the chain's presence in California, where two locations currently operate, in Sacramento and Red Bluff. The Bakers Square brand is owned by Denver-based **VICORP RESTAURANTS INC.**, which also operates the Village Inn chain. Vicorp filed for Chapter 11 bankruptcy protection last April. In February, Vicorp officials told Nation's Restaurant News that the company had about 300 restaurants, and that a court-approved buyer had been identified and an auction was expected this month.

NEW YORK — Upscale Manhattan restaurant the "**21**" **CLUB** has been sued by a group of employees who claim the institution withheld tips at its banquet operations. The class-action lawsuit was filed Tuesday in U.S. District Court for the Southern District of New York on behalf of 34 current employees. The lawsuit accuses "21" Club management of charging customers a preset gratuity fee of 21.75 percent on private-dining and banquet services, but paying only 18 percent of the money to its staff. According to the lawsuit, the "21" Club kept the rest for itself. Officials at the "21" Club had

not seen the lawsuit Wednesday, and had no comment.

ALBANY, N.Y. — New York state labor commissioner **M. PATRICIA SMITH** said Wednesday that an investigation into the labor practices at nine Asian restaurants in New York City resulted in an agreement to pay \$2.3 million in minimum and overtime wages to about 800 workers. The case, investigating owner **TSU YUE WANG** and restaurants including Ollie's Noodle Shop and Grill, Ollie's Brasserie/Mainland, Chao Zhou and Central Kitchen, resulted in the largest ever settlement for one case in the labor department's history. Wang was found to have paid his employees, who worked up to 60 hours per week, about \$1,200 a month, or less than \$300 per week, which amounts to less than \$5 per hour. Current law requires employees working 60 hours per week be paid at least \$500.50 a week. Wang also agreed to labor department know-your-rights seminars at each of his restaurants, which help educate workers about state labor laws. About 40 employees also have filed a class-action suit against Wang in federal court.

MARKETING MATTERS

CANTON, Mass. — After years of promoting its coffee, sandwiches and other non-doughnut offerings, **DUNKIN' DONUTS** is putting the spotlight back on its namesake sweet treats. The Associated Press reported that Dunkin' Donuts is launching a major doughnut-focused marketing push, its first since 1997. The \$10 million campaign features TV, radio and online ads. On Wednesday, the 8,800-unit chain announced several promotions, including a design-your-own-doughnut contest. Through April 7, customers can create their own virtual doughnut on Dunkin's website. Dunkin' also began offering doughnuts for 49 cents each when purchased with a medium or larger hot coffee for a limited time. Two new doughnut flavors also debuted: Berries n' Kreme, a Bavarian cream-filled doughnut with strawberry icing and berry-flavored sprinkles; and the Dunkin' Delight, a yeast-ring doughnut topped with chocolate icing and pink and orange sprinkles. Both will be available at participating stores through April 21.

STOCKWATCH (shares over \$1)

TOP GAINERS	PCT. CHANGE	WED. CLOSE	BIGGEST DECLINERS	PCT. CHANGE	WED. CLOSE
Ruby Tuesday	22.45	\$2.40	Rubio's	-5.60	\$3.20
Darden	19.97	35.87	Frisch's Restaurants	-1.80	20.18
J. Alexanders	17.14	2.46	Ark Restaurants	-1.75	9.52
Cheesecake Factory	17.02	12.03	Krispy Kreme	-1.33	1.48
AFC Enterprises	17.00	5.78	Famous Dave's	-0.71	2.81
NRN Stock Index	+4.10	945.63	Dow Jones Index	+1.23	7,486.58



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-- Chain Leader, 3/18/2009 8:20:00 AM

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The advertisement has a teal background. At the top, it says 'STAY productive IN ALL OF your JOBS WITH THE MOTO Q™ 9C.' Below this, it reads 'U.S. Cellular® has great offers on Smartphones for your small business.' There is a 'Learn More ►' button. On the right side, there is an image of the Moto Q 9C smartphone. At the bottom left, the U.S. Cellular logo is displayed.