

# Pacific Management Consulting Group

## Chain Restaurant Analysis and Advisory



**John A. Gordon, MAFF**

**Restaurant Subject Matter Expert**

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## Curriculum Vitae

Functional Overview: Restaurant subject matter expert. Restaurant sector operations and financial analysis. Management systems creation, assessment and execution; organizational, and financial management expert.

Typical Project Focus: litigation support, research, equities analysis, earnings analysis, revenue and expense analysis, M&A due diligence, special projects, economic and business feasibility studies, new business start-up, revenue enhancement, cost containment, profitability improvement, and organizational transformation advisory work.

Typical Clients: investors, management consulting firms, attorneys, franchisee associations, franchisees, research firms and start up businesses.

Project and Subject Matter Experience: Quick Service Restaurants, Casual Dining Restaurants, and Fast Casual Restaurant sectors. Business and economics research. Financial and operational analysis, earnings forecasting, planning, operational and capital budgeting, financial and operational reporting. Expert research and consulting litigation support. Operational and management systems assessment, improvement and implementation. Restaurant, hospitality, and foodservice sector organization management systems and procedures development. Balanced scorecard metrics and benchmarking. Business due-diligence and business plan creation. Operational analysis, revenue enhancement and cost containment, strategy creation and execution. Site selection and real estate analysis; marketing, information technology, human resources systems. Management and business improvement.

### Summary Project Experience:

- Expert Consultant and Expert Witness detailed restaurant business and economics analysis, major deep dive research project actions, projects underway (many separate projects).
- Subject Matter Expert for international strategy consulting firm working major chain restaurant improvement projects (several engagements).

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- Restaurant marketing, menu, sales, and earnings forecasting and analysis centered on publicly traded restaurant companies (many engagements).
- Economic and Business feasibility assessments (numerous) for various hospitality and retail sector clients. Teaching and counseling of clients.
- Research: identification of econometric factors by market to create unit growth model, by major market, major QSR operator client.
- Management Systems assessment, conceptualization, planning and implementation for retail/hospitality sector client, via two year long project.
- Business assessment and profit improvement plan creation for service sector (restaurant and retail sector clients, numerous). Focused on operations, financial management, marketing, concept design and human resources issues.
- New business start-up planning, business plan analysis and review, counseling (numerous clients)
- Operational Reporting: assessment of operators' financial and operational systems, creation and refinement of revenue, expense and other balance scorecard like metrics, data collection means created, worked into financial reporting process.
- Reimplementation of Standard food and labor cost system: baselining and assessment of current system, operational gap analysis and assessment, creation of new system standards, selection of new platform, project management, creation of inputs, creation of cost standards, system documentation, training and creation of user guides, travel and implementation to field operators, cost reporting and analysis, system maintenance, continued testing, sampling and refreshment, for employer, \$400M national chain restaurant operator.
- Executive search and business intelligence projects for several chain restaurant operators.
- Small Business Sector consulting: traveled Western United States working with numerous small business sector clients, in general management consulting roles, with diverse client base.

### **Representative Summary Project Engagement Experience**

- Engagement One: Chain Restaurant SEC 10b5 Securities Action: chain restaurant federal securities matter (earnings disclosure) item. Provided company and relevant peer research, intelligence and analysis, input to complaints and answer, etc. Federal 2<sup>nd</sup> and 6<sup>th</sup> Circuit matter. 12-month engagement completed 2008.
- Engagement Two through Four: Chain Restaurant Franchisee v. Franchisor Actions Multiple Federal and State actions. Provided company and relevant sector operations, management, supply chain, financial management research, intelligence and analysis, input to complaints, answers, and pleadings. 18-month engagement, ending November 2009. Engagement Two Outcomes: Settled 2009 with large damages pool liquidating multiple state and federal class actions, in one of the largest settlements ever in the chain restaurant sector. Engagement Three: settled 2011. Engagement Four; settled 2012.
- Engagement Five: Chain Restaurant Menu Labeling Action: provided declaration and deposition, and relevant company intelligence, analysis and research on restaurant menu and sales, product mix and financial returns topics. California Alameda County Superior Court Action, 6-month engagement. Outcome: on Appeal, 2011.
- Engagement Six: Chain Restaurant SEC 10b5 Securities Action: Chain Restaurant Federal securities action, for plaintiffs. Provided company and sector research,

intelligence and analysis, input to complaints and answer, etc. Federal 8<sup>th</sup> Circuit matter. Settled, 2011.

- Engagement Seven, Eight and Nine: Franchisee Association support: provide research and analysis of financial matters to QSR sector franchisee associations. Ongoing engagements.

### **Other Financial Management Related Projects:**

- Financial Management Chair (Elected), and Committee Member (Appointed), Citizens Oversight Committee, for \$2 billion California Schools construction program.
- Chair, Major Municipal Candidate's Fiscal Advisory Team: worked with team of professionals to create actionable business recovery plan for leading San Diego Mayoral candidate.
- Municipal City Charter Review Commission Appointed Member; reviewed assessed and composed recommended changes to City of San Diego Charter (constitution like document).
- Creation and Implementation of Board of Directors Governance System: creation, implementation, participation and recommendation with senior leadership on Hospitality Operator's Board of Directors governance program, creation of financial and operational standards, creation of budget calendar and review process, software modification and coding, training program creation, field training, execution of multi-year operational and capital budgets, including budget formulation, review, approval and execution stages each year, for employer, \$700M hospitality operator.

### **Education and Certifications**

- BS, Business, Indiana University, 1982.
- Master Analyst, Financial Forensics, MAFF (original, 2012)

### **Employment Summary**

- PRINCIPAL, PACIFIC MANAGEMENT CONSULTING GROUP, 2003 to present  
*Management Consulting Group, 100% focused upon financial analysis and advisory topics for restaurant space clients.*
- SENIOR ASSOCIATE, BOOZ ALLEN HAMILTON, San Diego, CA, 2000 to 2002  
*Worldwide premier Management and Technology Consulting firm, Economic Analysis Group.*
- CHIEF FINANCIAL OFFICER (1996-2000), and earlier, MANAGER OF FINANCIAL ANALYSIS (1989-1995) NAVY MWR (Hospitality) Program, Washington DC.  
*\$700M international restaurant, hospitality and services operator.*
- Earlier: Cost/Financial Analyst, Multi-Unit Supervisor, General Manager  
*Two NYSE listed restaurant concerns, QSR Burger Sector and Family Dining Sector*

## **Current and Prior Affiliations**

**Member of:** National Association of Certified Valuators and Analysts, Gerson-Lehrman Group Expert Network, Round Table of Experts, American Association of Franchisees and Dealers, American Association of Budget Analysts and Program Analysts, San Diego Food and Beverage Association, California Restaurant Association..

**References:** client, business and personal references available upon request.

**Publications:** Restaurant related professional journals such as Restaurant Research, Restaurant Finance Monitor Franchising Valuation Reporter, and others.

**Selected Press Quotes:** CBS, CNN, ABC, Wall Street Journal, Bloomberg, National Public Radio, Franchise Times, QSR Magazine, Nations Restaurant News, among many others.

## **Overview of Related Expert Consulting/Witness Roles, and Publications**

### **Expert and Consulting Expert Engagements, Depositions Taken:**

**Engagement One:** Franchisee v. Franchisor matter, National Franchisee Association v. Burger King Corporation, United States District Court, Southern District of Florida, 09-23435, for plaintiff. Chain restaurant franchisee v. franchisor matter provided expert analysis and research on chain restaurant earnings, economics and related business matters. Deposed, November 18, 2010, in San Diego. Status: matter settled, March 2011.

**Engagement Two:** Chain Restaurant Menu Labeling Action, for plaintiff. Jones v. Applebee's, Superior Court of California, County of Alameda, case number RG08391858. Provided declaration and deposition, and relevant Applebee's and related chain restaurant company intelligence, analysis and research on restaurant menu and sales, product mix, cost and related financial returns topics. Deposed, September 15, 2009 in San Francisco. Status: matter on appeal, 2011.

**Engagement Three:** Franchisee v. Franchisee Action, for plaintiff, Lake Elsinore Restaurant Corporation v. Highgrove, et al, State of California, Riverside County Superior Court, Case Number, 72-517Y0113309 SIM. Provided expert analysis and research on chain restaurant sales, earnings and economics regarding Denny's and other chain restaurants. Deposed, November 16, 2010 in Temecula, CA. Status: matter settled in November 2010.

**Engagement Four:** Restaurant Tenant-Landlord Action, for plaintiff. Primo Hospitality Group v Americana at Brand, State of California, Los Angeles County Superior Court, case number BC-432109. Provided deposition on expected and actual restaurant economics. Deposed, April 15, 2012. Status: settled, 2012.

**Engagement Five:** Restaurant Tenant -Landlord Action, for plaintiff. Hanna v. Ergarian, Fresno County Superior Court, 08CECG02258, deposed September 2012, trial testimony, November 17 2012. Status; ongoing.

Engagement Six: Restaurant Franchisee v. Franchisor Action, for plaintiff. Camille's v. DFO, Los Angeles County Superior Court, BC 466686. Provided deposition on expected and actual restaurant economics. Deposed, Los Angeles, July 20 2012. Outcome: matter settled, 2012.

Engagement Seven: Restaurant Franchisee v. Franchisor Action, for defendant. Keg v. Jones, Maricopa Superior Court for the State of Arizona, CV201-004502. Deposed Phoenix, AZ., November 12 2013. Status: ongoing.

**Other Expert Engagements, Expert Research and Consulting provided:**

Engagement One: Chain Restaurant SEC 10b 5 Securities Action, US District Court, Eastern District of Missouri, Western Washington Laborer-Employers Pension Trust v. Panera Bread, case number 4:08-cv-00120 ERW: chain restaurant federal securities matter, for plaintiff. Provided company and relevant peer research, intelligence and analysis, input to complaints and answer, etc. Outcome: Matter settled, March 2011.

Engagement Two: Chain Restaurant SEC 10b 5 Securities Action, US District Court, Middle District of Florida, Plumbers and Pipefitters Local 51 Pension Fund, v. Darden Restaurants, case number 6:08-CV-00388-PCF-DAB, chain restaurant federal securities matter for plaintiff. Provided company and relevant peer research, intelligence and restaurant earnings and economics analysis. Outcome: Matter dismissed 2009.

Engagement Three: Franchisee v. Franchisor Action, Siemer et al, v. The Quiznos Franchise Company, US District Court, Northern District of Illinois, case number 07-cv-2170, for plaintiffs. Provided Quiznos and restaurant peer company, and overall restaurant sector operations, management, supply chain, financial management research, intelligence and analysis. Outcome: Matter settled 2010.

Engagement Four: Franchisee v. Franchisor Action, Martrano v. Quiznos, et al. U.S. District Federal Court, Western District of PA, case number 2:08-CV-0932. Provided expert report focusing on Quiznos related earnings and economics topics. Matter settled: 2012.

Publications: I comment and opine on non-confidential, chain restaurant earnings, economics, and sales, cost and related business issues as a standard outgrowth of our consulting work, and have done so since 2008. We are extremely aware of and always abide to confidentiality agreements and orders not to disclose.

My articles and press clips are recorded or linked to the website, [www.pacificmanagementconsultinggroup.com](http://www.pacificmanagementconsultinggroup.com), in their entirety. For example, we write on restaurant business related topics, at the Forensic Group expert site, <http://expertwitness.com>, with many of the article topics from the noted articles. The link to these articles is on the website.

# Pacific Management Consulting Group

## Chain Restaurant Analysis and Advisory



**John A. Gordon, MAFF, Restaurant Subject Matter Expert**

Pacific Management Consulting Group and its founder and principal, John A. Gordon, MAFF provides niche analysis, research and advisory services relative to restaurants. Our clients are typically investors, shareholders, attorneys, management consulting firms, franchisees, franchisors and others who need detailed restaurant space perspective. We 100% focus on both publicly traded and privately held restaurants, including the quick service (QSR), casual dining and fine dining sub-sectors.

Gordon has thirty five years plus experience in chain restaurant operations (QSR Operator, now Hardee's/CKE Restaurants; financial management roles (cost and financial analysis, with Ponderosa Inc., and later, Manager Financial Analysis, and Chief Financial Officer with a global hospitality operator. He has consulted on staff with a global strategy management consulting firm (Booz Allen) and via Pacific Management Consulting Group since 2003.

He is a certified Master analyst of Financial Forensics (MAFF) and specializes in complex restaurant operations, financial and business analysis topics.

What we believe: providing independent, non-conflicted and certified analysis and expertise; we focus on the fundamentals not the fluff. We believe in providing deeply granular analysis that is useful to the need at hand. We have a non-consensus outlook in that we look beyond the obvious to determine the real situation, not what's easily seen or expected. And we warrant confidentiality and no conflicts of interest, ever.

What we do: creative, detailed and effective research, analysis and special business intelligence. We serve as expert researchers, consultants and witnesses and specialize in complex litigation regarding restaurants.

We routinely work investor side due diligence, earnings and economics analysis, and serve as restaurant subject matter expert to those who need to know about the restaurant space. Via expert witness engagements, we provide the detailed research, discovery plan and analysis, deposition and trial support for litigation engagements. And we work complex special projects.





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John A. Gordon, Principal, Pacific Management Consulting Group, has an extensive chain restaurant operations and senior financial management background, and routinely performs restaurant related analytical, advisory, and research engagements for investors, franchisee associations, attorneys, management consulting firms, franchisees, franchisors and others who need niche specialty information and expertise.

**RECENT REPRESENTATIVE ENGAGEMENTS WHICH INVOLVE THESE FIRMS:**

Litigation Support, Expert Research and Analysis	Advisory / Consulting	Franchisee Due Diligence and Analysis	
 Neighborhood Grill & Bar Litigation Support Research & Analysis	 Litigation support, research & analysis	Global Strategy Management Consulting Firm <b>UNDISCLOSED</b> Ongoing subject matter expertise	 Franchisee Due Diligence Support
 Litigation, SEC 10 B 5 action	 Franchisee litigation support, marketing & financial analysis 2 actions	Premiere US Investment Banking Firm - Equities Research, Restaurant Team <b>UNDISCLOSED</b> Ongoing subject matter expertise	 Franchisee Due Diligence Support
 Litigation support, SEC 10 B 5 action	 Litigation support, research & analysis	 Earnings analysis for investors	 Dunkin' Donuts Franchisee Association Ongoing analysis
 Litigation support, research & analysis - 2 actions		 Earnings analysis for investors	 Franchisee Association Ongoing analysis

John Gordon has thirty years plus experience in chain restaurant operations and financial management roles. He has consulted on staff with a global strategy management consulting firm. He holds a Certified Forensic Financial Analyst (CFFA) designation.



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