

Charley's Restaurants file for Chapter 11

By Doug Funke
staff writer

Charley's Restaurant Group, headquartered in Farmington Hills, has filed for reorganization under Chapter 11 of the Federal Bankruptcy Code as part of a plan to reverse its sagging financial fortunes.

The privately-owned company operates Charley's Seafood Taverns in Bloomfield, Southfield, Livonia, Northville, Dearborn, Harper Woods and Toledo, plus Clandingers in Farmington Hills and Meriwether's in Southfield.

According to published reports, the company reported assets of \$5 million and liabilities of \$8.5 million last week in filing for protection from creditors. A reorganization supervised by the court allows the chain to stay in business while working out a payment plan with creditors.

"Costs and cost controls got away from us, which were away our direct operating profit," said Dick Sikorski, president and chief executive officer for Charley's. "Moreover, we took

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— Dick Sikorski
president
Charley's

money away from the restaurants to pay the bank debt too quickly."

The current ownership acquired the nine restaurants from the Muer Corp. about three years ago.

There will be no immediate layoffs of restaurant staff as a result of the reorganization, said Frank Fazio, vice president of marketing. "We already had got our labor in good position. We need to operate our business," The company employs about 900, he said.

"We need to put money in back into the business physically and from a marketing perspective," said Paul

Yarnoluk, vice president and chief operating officer for Charley's. "It (bankruptcy filing) allows breathing room in one sense."

"WHAT HAPPENED over the

years was a deterioration of the customer base," Yarnoluk said. "Basically, we had a collection of restaurants that was fragmented. They never acted as a whole. The restaurants were not quite keeping up with the times."

The menu was dated, physical facilities began to deteriorate. It was getting more and more fragmented," he said.

Competition intensified.

"As time has gone by in all of our locations, national chains have moved in... independents, mom-and-pop took a piece of the business," Yarnoluk said. "Everyone all over the country was fighting for business."

Charley's revised its menu Nov. 1 in an effort to attract a younger, family crowd while retaining its loyal following.

New appetizers include sweet potato fries, fried mushrooms and coconut fried shrimp. New Orleans meatloaf burger, grilled vegetarian melt and country fried chicken have been added to the sandwich ledger. All the pasta dishes have been reformulated.

"In the past, they (Charley's) had gone for the older guest," Fazio said. "We want to retain that guest. We want to go for the 25-plus with families. We have a new children's menu."

While it's too early to determine a

trend, Fazio said, company officials are encouraged by interviews with customers and the timing of the changes.

"We're going into our busiest season - December, January and February," he said.

Yarnoluk, who joined Charley's in August, apparently has a history of rejuvenating companies in the food industry.

"I'm not a turn-around specialist," he said. "I'm not a cut-and-slash accountant type. I don't have a magic wand. I'm just a good facilitator."

"As anyone in the restaurant business knows, you don't turn it around overnight. It didn't happen overnight," Yarnoluk said.

Postal Service says address properly

During the holiday season the large volumes of letter mail passing through the post office undergo a change in make-up from primarily typed addresses to an inordinate amount of hand-written addresses.

That means the postal service must switch some of its automated process to manual processing. Either way — printed or handwritten — proper address is critical.

"A wrong ZIP Code is worse than none," says John M. Horne, field division, general manager/postmaster, Detroit Division.

The first three numbers of a ZIP Code identify a state or portion of a state. When a letter arrives at the main post office or that area, the last two digits are used to route the letter to the delivery station. The

four digits added to a five-digit ZIP Code, or ZIP⁺, allow automated sorting of mail down to the carrier's route.

"A ZIP Code is literally the last word in addressing," says Horne. "It's the last item you insert in the address, following the city and state, and it's the most important in terms of getting mail started in the right direction. If you are not sure of the ZIP Code call 271-6544."

In the case of missing street numbers, Horne says, just one missing digit in a street number may send a letter to the wrong person. It's the street number that tells the letter carrier where to deliver the mail. The name in the address simply separates the intended recipient

from other people in that house.

Horne says that many carriers remember names on their routes — which average 600 households and businesses — and can deliver to the right person even through the address in incorrect. But a substitute carrier or a new employee must rely entirely on the street number.

Apartment and suite numbers fall in the same category of little things that count. Think of a substitute letter carrier confronted with 100 or more boxes in an apartment or office building and a stack of mail with no box numbers.

Similarly, proper direction designations for streets — North, South, East or West, get letters delivered without detours. The correct abbreviation is N, S, E or W. Also important

are the correct designations: Street, Lane, Court, Terrace, Drive or Circle with the abbreviations St., Ln., Terr., Ct., Dr. or Cir.

To help speed your letters and packages on their way, type or print your addresses. Properly prepare typed or printed addresses can be read and processed by the postal services' automated equipment. Handwritten addresses must largely be read and processed by hand. And, while both methods get the same delivery results, automated processing is by far the most efficient and least costly.

"Keeping postage rates down hinges on automated processing of mail," says Horne. "You can help by typing or print your addresses."

OCC sets 'College Night'

High school juniors and their families will have the opportunity to speak directly with the faculty and staff of Oakland Community College during "College Information Night" at the Highland Lakes Campus.

The 90-minute session is designed to help prospective students get information about admissions,

financial aid, transfer programs, counseling and other student services.

The session will be 7:30-9 p.m. Thursday, Dec. 6, at the Highland Lakes Campus, 7350 Cooley Lake Road, Union Lake.

Additional information is available at 360-3041.



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