



# News Clips Report

## **Shaq adds twist to business ventures Business Journal Serving Greater Milwaukee, The Milwaukee, WI 10/12/2007**

Miami Heat center Shaquille O'Neal is entering the soft-pretzel business with Milwaukee's V&J Foods, which over the past 23 years has built one of the nation's largest black-owned fast-food chains. V&J has formed a partnership with the of Miami to run Auntie Anne's soft pretzel shops in Michigan, New York state, the Caribbean and possibly South Africa. V&J's chief executive officer Valerie Daniels-Carter and O'Neal connected through mutual friends and have been discussing the partnership for two years, said John Draper, V&J's president of operations. O'Neal was seeking businesses investments and decided to partner with V&J because it has experience in running fast-food restaurants, Draper said. 'At some point [O'Neal] is going to retire, and he's chosen to work with what I would say is one of the best operators in the country,' he said. Representatives of O'Neal's company did not return calls seeking comment. Privately held V&J runs 32 Burger Kings near Milwaukee and Detroit and is the franchisee for 67 Pizza Huts in upstate New York. V&J was founded in 1982 by Daniels-Carter and her brother, John Daniels, who is managing partner at Quarles & Brady, Milwaukee's second-largest law firm. V&J opened its first Burger King in 1984 and has been ranked as the largest female minority-owned franchisee in the country.

By the end of 2007, a new entity known as VJ & O'Neal Enterprises will open six Auntie Anne's in the Detroit area and is purchasing eight of the pretzel shops in the Buffalo, N.Y., area, Draper said. He said the company also is looking at Minnesota, Virginia and Wisconsin.

Auntie Anne's of Gap, Pa., was founded in 1988 and has 750 shops in the United States, including a dozen in South Florida, and 950 worldwide. The firm's rolled pretzels and other snacks typically are sold from small outlets in shopping malls and airports. Systemwide sales in 2006 were \$293 million.

V&J has reviewed numerous franchisee opportunities over the years and selected Auntie Anne's because it's "the No. 1 soft pretzel in the country," Draper said.

Auntie Anne's executives are thrilled to work with V&J because of the Milwaukee firm's track record in the fast-food industry, its professionalism and its commitment to the communities where it does business, said Mike McCoy, Auntie Anne's director of franchise development and international operations. The involvement of a celebrity like O'Neal is a bonus that might help open doors for new locations in the United States and other countries, McCoy said.

There are no plans to include O'Neal in advertising or promotions for Auntie Anne's, McCoy said. Nevertheless, McCoy said his company wouldn't deny O'Neal if he decided to participate in promotional activities.

Mike McCoy, Auntie Anne's director of franchise development and international operations. The involvement of a celebrity like O'Neal is a bonus that might help open doors for new locations in the United States and other countries, McCoy said. "We're not really planning to leverage that from a PR standpoint," McCoy said. "From our perspective, V&J is the operator."

Likewise, Draper said V&J has no specific plans to promote O'Neal's involvement in the business, but wouldn't rule out O'Neal appearing at some of the new partnership's locations.

McCoy described Auntie Anne's as an "impulse snack food." It relies on shoppers stopping for the scent of pretzels cooking and trying a free sample.

While the chain has relied heavily on shopping mall locations, its executives hope that V&J can diversify the base to nontraditional locations, McCoy said. For example, V&J will open some shops at bus and rail stops in the Detroit area, he said.

### Overseas venture

VJ & O'Neal Enterprises' foray into the Caribbean would represent Auntie Anne's first locations in that region, McCoy said. VJ & O'Neal is seeking sites in Puerto Rico and in Tobago, as well as on other islands, Draper said.

Auntie Anne's requires prospective franchisees for international locations to have the ability to secure funds of \$1 million to \$2 million, according to the chain's Web site. Franchisees for U.S. locations must demonstrate the ability to secure



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funds of up to \$350,000.

O'Neal's partnership with V&J follows news in May that his real estate development firm, The O'Neal Group, was looking at a commercial and residential development in one of Milwaukee's central city neighborhoods. O'Neal has amassed a portfolio of residential and commercial property valued at more than \$50 million.

City officials had touted an area along West Vliet Street between North 12th and 17th streets as well as the area near West Fond du Lac and West North avenues and the Bronzeville area near North Avenue and North Seventh Street.

Department of City Development commissioner Rocky Marcoux said in an interview that city officials are "hard at work" on the O'Neal project, but have no timeline on consummating a deal.

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## VJ & O'NEAL ENTERPRISES

Business: Franchisee for Auntie Anne's soft pretzels

Founded: 2006; first locations by end of 2007

Headquarters: V&J Holding Cos., 6933 W. Brown Deer Road, Milwaukee

Ownership: Joint venture between V&J Center L.L.C. and The O'Neal Franchise Group L.L.C.

Lead executives: Valerie Daniels-Carter, CEO and president of V&J Holding Cos., Milwaukee, and Shaquille O'Neal, chairman and CEO of The O'Neal Franchise Group, Miami

About V&J Holdings: Founded in 1982 by Valerie Daniels-Carter and her brother, attorney John Daniels. Opened first Burger King in 1984. Runs 12 Burger Kings in Milwaukee and 26 in metropolitan Detroit. Also runs 67 Pizza Huts in upstate New York and western Massachusetts.

About The O'Neal Group: Founded in September 2006 by Shaquille O'Neal as a real estate and development company seeking partnerships and joint ventures in "previously underserved, underperforming communities."