

≡ RUBY'S DINER ≡
HUNTINGTON BEACH PROPOSAL
RUBY'S HOSPITALITY GROUP



SUPPLEMENTAL
COMMUNICATION

Meeting Date: 9/7/2021

Agenda Item No.: SS#1 (21-637)



Mrs. Casanova,

Thank you for the opportunity to submit the following requested qualification statement for Ruby's Hospitality Group, LLC for the City-owned concession building located on the Huntington Beach Pier at 21 Main Street.

In our qualification statement we have included the following details:

1. Description of the qualifying entity (Ruby's Hospitality Group, LLC);
2. Biographical and credit information for all officers and directors;
3. Financial information on the proposed guarantor of leasehold operations (West 5th Street Partners); and
4. Proposed use of the space and preliminary conceptual renderings.

We are excited about the opportunity to bring the beloved Ruby's Diner brand back to its home at the Huntington Beach Pier where for almost 40 years together we have become synonymous with the iconic pier location and the community of Huntington Beach, CA. Thank you in advance for your consideration.

Warm Regards,

Joe Micatrotto

CEO, Ruby's Hospitality Group

RUBY'S HOSPITALITY GROUP, LLC



Ruby's Hospitality Group, LLC and its affiliate, RD Franchise Systems, LLC, are the master franchisor for Ruby's Diner, a restaurant chain aesthetically designed after the American diner of the 1950's serving a menu that includes classic American hamburgers, French fries and milkshakes.

The first Ruby's Diner opened on December 7, 1982, in a converted bait shop at the end of the Balboa Pier in Newport Beach, California. At its peak, the restaurant chain included 41 locations of company-owned and franchise units mostly focused in Southern California. Since its founding, Ruby's Diner has been a staple of locals and visitors alike synonymous with California surf city lifestyle with iconic pier locations throughout Southern California including the former location at the iconic Huntington Beach Pier. Today there are 19 Ruby's Diners located predominantly in Southern California.

In 2018, the company-owned stores and franchise system of Ruby's Diner entered into a Chapter 11 bankruptcy process to reorganized its obligations and, ultimately, its ownership. Casbure Management, LLC successfully acquired the master franchise rights of Ruby's Diner in November of 2020 and formed Ruby's Hospitality Group, LLC to actively revitalize the iconic brand and relaunch the California hallmark across the nation with a fresh take on the timeless brand.

Biographical Information - Officers and Directors of Ruby's Hospitality Group
The principle owners of Ruby's Hospitality Group, LLC are listed below.

- Casbure Management, LLC
- Todd Spector, an individual
- Eric Kurtzman, an individual
- Joe Micatrotto, an individual

We have included a brief write up and relevant biographical information for each owner, officer and director.



CASBURE MANAGEMENT, LLC



Casbure Management, LLC (Casbure) is a private investment company started by Todd Spector and Eric Kurtzman. Todd, Eric and the Casbure management team have lead companies through each stage of development and remain engaged in a broad variety of strategic and private investments with legacy operations and core competencies in finance, hospitality and business restructuring. Casbure – Private Investments (aspdevhub.com)

TODD SPECTOR is a Managing Partner of Casbure and CEO of The ASNY Company, LLC (ASNY), a diversified single family office with focus in hospitality and finance. ASNY and its affiliates own and operate more than 2,000 hospitality units across thirteen full service resorts in Las Vegas, Hawaii, Palm Springs and Orlando. Todd Spector joined ASNY in 2007 and focuses primarily on the firm's strategy, private equity initiatives and hospitality-related opportunities. For the past ten years, Todd has focused his ASNY efforts working in senior leadership and operating roles of the firm's hospitality and finance companies. Before starting his career in the family business, Todd grew his experience in the assurance and audit practice of Ernst & Young's real estate division in Los Angeles, CA. As CEO of ASNY, Todd applies his almost twenty years of finance, investment and operating experience to the firm's various wholly-owned businesses and strategic growth initiatives.

Todd's professional associations include serving on the boards of various portfolio companies, the American Resort Development Association (ARDA) and Young Presidents Organization (YPO). Married and a father of two, Todd lives in Las Vegas, Nevada.

Todd's education includes a B.S in Business Administration and Corporate Finance from the University of Southern California's Marshall School of Business and a Masters of Accountancy (MAcc) from the University of Virginia, McIntire School of Commerce. Todd is a licensed Certified Professional Accountant (CPA) in the State of California.





CASBURE MANAGEMENT, LLC



ERIC KURTZMAN is a managing partner of Casbure and the co-CEO of Stretto, the nation's largest provider of bankruptcy-related software with 8 global offices and approximately 400 employees, including two offices in Orange County with over 100 employees. Respected as a revolutionary in the bankruptcy industry, he has over 20 years of expertise, including co-founding, building and exiting Kurtzman Carson Consultants prior to his private-equity backed leadership of Stretto. In addition to his track record of success as an executive in both a venture company and a private-equity backed company, Eric holds investments and board seats in a number of companies.

Eric has a dual bachelor's degree from the University of California, Berkeley (Economics and Asian Studies), a law degree from the University of California, Los Angeles, and an MBA from the Anderson School at UCLA. Eric has attended universities in Japan (Obirin Daigaku) and Spain (Instituto de Empresa n/k/a IESE Business School).

Eric Kurtzman has been honored with numerous business awards for his entrepreneurial endeavors and business accomplishments throughout his career, including the Ernst & Young Entrepreneur of the Year Award, the Entrepreneur Hot 100 and the Inc. 500. His previous firm, Kurtzman Carson Consultants, which he established and grew with co-founder Jonathan Carson, was recognized by the Los Angeles Business Journal as the fastest-growing company of the year in 2005. As co-CEO of Stretto, his latest successful entrepreneurial venture in the bankruptcy sector, he and his team earned recognition for the company's corporate restructuring services as the Turnaround Product/Service of the Year by M&A Advisor.





CASBURE MANAGEMENT, LLC



JOSEPH P. MICATROTTO, II is the operating partner and CEO of Ruby's Hospitality Group, LLC. Joe has overseen the development of national brands throughout Nevada and Arizona in addition to consulting for brands across the United States. Prior to partnering with Ruby's Hospitality Group, Mr. Micatrotto was the largest franchise operator of Raising Cane's Chicken Fingers with 36 locations in Arizona and Nevada, having sold the company to the founder in 2019. Prior to Raising Cane's, Joe was a Managing Partner and founding family member of Buca Di Beppo.

Joe is active in several organizations, including the Las Vegas Executives Association, the Nevada Restaurant Association, and the United Way of Southern Nevada. Micatrotto sits as the Vice Chairman of the Nevada Restaurant Association's Education Foundation and Founding Chairman of the United Way's Young Philanthropist Society. Mr. Micatrotto is also a member of the Young Presidents Organization (YPO Las Vegas Chapter). Micatrotto has been fortunate to receive many charitable and restaurant industry awards. In 2008, Micatrotto was honored by the Nevada Restaurant Association for his service to the industry, and received the Association's coveted Restaurateur of the Year award. In 2010, Micatrotto was selected as one of In Business Las Vegas Magazine's "Top 40 Under 40". Micatrotto also received the 2010 UNLV Harrah's College of Hotel Administration's "Vallen Industry Executive of the Year" Award. In 2011,

Joe earned his Hotel, Restaurant, and Tourism (B.S.) degree from Western Kentucky University, where he attended on an athletic scholarship and is graduate of Harvard University (HBS) where he earned his Owner/President Management (OPM) degree.



FINANCIAL INFORMATION



Ruby's Hospitality Group, LLC was formed in 2020 upon the acquisition of the master franchise rights of Ruby's Diner and therefore does not have three years of audited financial information, nor does it have filed tax returns as requested by the City of Huntington Beach.

In order to demonstrate the financial wherewithal of Ruby's Hospitality Group, we are submitting proof of funds, audited financial statements and tax returns for West 5th Street Partners who will guarantee any lease agreement executed on behalf of Ruby's Hospitality Group, LLC.

West 5th Street Partners is the parent company of the ASNY Company, LLC, the principle business of Mr. Todd Spector and an affiliate of Casbure Management, LLC. West 5th Street Partners has substantial liquid assets and is primarily a hospitality holding and investment company.

Although not the successful bidder at auction, Casbure Management LLC, an affiliate of West 5th Street Partners, submitted the same financial package to Corey Weber, counsel for the City of Huntington Beach, satisfying the City's requirements to assume and operate the existing Ruby's Diner lease at the end of the pier.

Sent under separate copy to Andria Martinez @ AMartinez@ndconline.org, Ruby's Hospitality Group has provided the following financial information:

1. 2021 YTD Financial Statements for West 5th Street Partners;
2. Financial Statements for West 5th Street Partners for the years ending 2018, 2019 and 2020;
3. Audited financial statements for The ASNY Company, LLC (the largest wholly owned subsidiary of West 5th Street Partners) for YTD ending 2018, 2019 and 2020;
4. Signed Federal Tax Returns for West 5th Street Partners for the years ending 2017, 2018, 2019; and

In an effort to further display the financial capability of Ruby's Hospitality Group and its principle Mr. Todd Spector, Ruby's Hospitality Group has also attached a letter of financial capability from J.P Morgan demonstrating sufficient unencumbered liquid capital for the proposed development at Huntington Beach Pier.



PROPOSED USE OF LEASE AND PROPERTY



It is the intention of Ruby's Hospitality Group to construct a modified version of the classic Ruby's Diner at the City-owned concession building located on the Huntington Beach Pier at 21 Main Street.

Our modified version of the classic Ruby's Diner would utilize a walk-up window for guest service and a modified menu to streamline operations and conform to the existing space requirements. We have attached a conceptual rendering of the proposed development and a sample menu for illustration and discussion purposes. Our proposal would not require a modification to the existing footprint although enhancements to the current mechanical systems may be necessary.

In association with our proposed use and lease of the property, Ruby's Hospitality Group is willing to partner with the City and fund various mutually beneficial capital improvement project(s) to beautify and enhance the pier. This could include and is not limited to the following:

- Re-constructing the existing structure at 21 Main Street.
- Beautifying and improving upon the existing structure without a full reconstruction.
- Adding additional seating, dining and lounging space to the pier.
- Further beautifying the pier with an aim to create a more engaging and entertaining space for guests and visitors.

It is important to note that while we have included the attached conceptual rendering and menu, we are flexible in design and scope. It is the intention of Ruby's Hospitality Group to work constructively with the City to bring a relevant and vibrant version of Ruby's Diner back to the Huntington Beach Pier.



CONCEPTUAL RENDERING



SAMPLE HUNTINGTON PIER MENU



RUBY'S FAMOUS BURGERS

OG RUBY'S STYLE

(lettuce, tomato, onion w/Ruby's Sauce)

BOARDWALK BACON BURGER

(onion ring, BBQ sauce, Bacon, Cheddar, LTO)

COLLAB BURGER

(we provide the burger and bun, you build it)

IMPOSSIBLE BURGER

(protein style available on all burgers)

RUBY'S CLASSIC DOGS

STARS & STRIPES

(ketchup, mustard, onion, relish)

PIER DOG

(chili, onion, cheddar)

EAST LOS DOG

(Bacon wrapped, mayonnaise, pico de gallo)

COLLAB DOG

(we give you the dog and bun, you build it)

RUBY'S CLASSICS

CHICKEN FINGERS

w/ bbq or ranch

BEACH BLVD. FRIED CHICKEN SANDWICH

(special sauce and pickles)

CATALINA FISH AND CHIPS



SIDES:

SEA SALT FRENCH FRIES

TOTS

ONION RINGS

Add chili, cheese, onions
or all of them

SAMPLE HUNTINGTON PIER MENU



BREAKFAST

Rod and reel in one hand, Ruby's breakfast in the other.

BEACH BREAKFAST BURRITO

(egg, bacon, cheese, tots, pico de gallo, and Ruby's salsa)

FRENCH TOAST STICKS

(served with maple syrup and whipped cream)

PIER BREAKFAST SANDWICH

(ciabatta bread, fried eggs, bacon, and cheddar cheese)

SIDES

BREAKFAST POTATOES

TOTS

HASH BROWNS

SWEETS

SHAKES AND MALTS

(Vanilla, Chocolate, Strawberry, Oreo)

VANILLA CONE

(dipped in chocolate)

SUNDAES

(Chocolate or Strawberry)

BEVERAGES:

COFFEE

COKE PRODUCTS

BOTTLED WATER

ICED TEA

LEMONADE

HOT CHOCOLATE





On behalf of Ruby's Hospitality Group,

I want to thank you for your consideration of our proposal to bring a modified version of Ruby's Diner back to the Huntington Beach Pier. For more than 25 years Ruby's Diner has been synonymous with the City of Huntington Beach and specifically the iconic Huntington Beach Pier. We would be honored to return and build on our existing legacy and bond with the residents and visitors of Huntington Beach, CA.

Sincerely,

A handwritten signature in black ink, reading "Joe Micatrotto", is written over the printed name.

Joe Micatrotto

CEO, Ruby's Hospitality Group



RD Franchise Systems, LLC

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