

Food Industry

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Family-owned L-K Restaurants & Motels Inc. has sold its dwindling 55-unit coffee shop chain to a company headed by former D'Lites president Jeffrey D. Miller and former Waffle House operations chief Ronald C. Davis. Terms were not disclosed.

"We made a strategic decision two years ago to sell the restaurants," said Robert C. Ludwig, chairman and chief executive of the closely held concern, which was founded in 1939. "This will enable us to concentrate on our motel business."

There are 47 L-K Motels and five Country Hearth Inns, said Ludwig, who remains head of L-K Motels Inc.

"L-K restaurants have a strong consumer franchise in the small towns where they do business," said Miller, president of the newly formed L-K Restaurants Inc. "We don't plan to go into any big cities or glamour markets."

Miller said that although the restaurant chain's ranks have been thinned from more than 150 outlets in the mid-1970s, the operation is still profitable. L-K restaurants operate in Ohio, Michigan, Kentucky, Indiana and Illinois. They once also operated in Florida and had as many as 90 outlets in Ohio alone.

While planning few changes in the family restaurant concept, Miller said he and Davis hope to build a new restaurant concern specializing in acquiring five to 10 unit chains.

"It won't be just "L-K family restaurants," he said. "But in the future it might be "the L-K family of restaurants."

Today the 55 L-K restaurants reportedly gross about \$21 million a year. The outlets generally measure about 3,000 sq. ft., seat 120 patrons and are open from 6 a.m. to 11 p.m. L-K's menus offer breakfast, sandwiches and dinner platters for an average ticket of less than \$3 per person, a price range unchanged in at least five years.

Reflecting its small-town heritage, the 47-year-old chain has long imprinted its menus with "If you believe in asking grace before eating, feel perfectly free to do so."

In 1969 founders Cleo Ludwig and Robert Kibbey sold the then-44-unit chain to Consolidated Foods Corp., which added 110 units in the next five years in a bid to become a national power. But by 1977 Consolidated became disillusioned, and brothers Robert and Paul Ludwig, the sons of Cleo Ludwig, repurchased the restaurants and motels. Consolidated Foods has since been renamed Sara Lee Corp.

Ludwig, 54 and a well-known food-service industry figure, won the International Foodservice Manufacturers Association's prestigious Silver Plate award in 1980 and has served as a trustee of Bowling Green State University in Ohio, his alma mater.

The 32-year-old Miller was president and a co-founder of D'Lites of America Inc., the Atlanta-based fast-food chain that gained prominence by targeting a diet-conscious clientele. He was apparently forced to resign last September as the 100-unit chain faced increasing sales and profitability problems.

Davis, 44, new chairman of L-K Restaurants Inc., is a 20-year veteran of the restaurant business, most recently as a D'Lites franchisee. From 1975 to 1981, he was chief operating officer of W.B. Johnson Properties, operator of 12 Holiday Inns, 70 Waffle House restaurants and five Marriott hotels. Before that, he was general manager of Waffle House, a 300-unit coffee shop chain.