PCG Dinner Meeting Presentation

Once again **Sparks Steakhouse (NYC)** will be the venue for the next **Private Client Group Quarterly Dinner Meeting,** set for **Monday, May 8.** As in the past, the business presentations will start promptly at 2:30 p.m., followed by a networking reception at 5:00 p.m. and dinner.
We anticipate this meeting will be well attended, and space at the restaurant is somewhat limited, so you are encouraged to mark the date on your calendar and **respond with the names of those you wish to register.** In line with our standard practice of tailoring the presentations to the most topical customers at the time of the event, a detailed agenda will be released in mid-April to all registrants. **Please click here to register today** with names of those attending.

Store / Facility Closings

Click here for recently announced closures (week ended 3/28)

The Children's Place to close 1 store

Walmart to close 1 store

Mass Merchandisers / Dollar Stores

THE WEEK'S Alerts / Updates / Snapshot Reports

3/21 – Sears Holdings – Going Concern Uncertainty

meijer Meijer plans to close two underperforming Chicago, IL-area stores, located in Berwyn and Melrose Park. The Berwyn store, which opened in 2012, and the Melrose Park location, open since 2011, will close June 17. According to a Company representative, both stores are about 90,000 square feet and are thus considered smaller-format stores for Meijer, which has been more successful in the Chicago suburbs with its "supercenters" that are typically closer to 200,000 square feet. The representative also said that the Chicago area continues to be an important market for Meijer, which has invested more than $200.0 million in nine new Illinois supercenters, primarily in suburban Chicago, over the past five years. Meijer currently has 21 stores in the Chicago market, of which three (Bloomingdale, Algonquin and McHenry) will be remodeled this year as part of a $375.0 million investment announced earlier this month. Meijer also owns property in nearby Kankakee, Aurora and Hoffman Estates and could eventually develop those sites.
Meanwhile, Meijer continues to expand in the Indianapolis, IN market with plans to open two Supercenters in McCordsville and Franklin on May 2. It has invested heavily in Indianapolis in recent years, with its 15 stores there either new or recently remodeled with improved store layouts, and expanded grocery and health and beauty sections. According to Nielsen, as of January 2017 Kroger was the market leader in the Indianapolis metro market with 50 stores and a 31.3% market share, followed by Walmart with 32 stores and 26.5% market share, and Meijer with 14 Supercenters (almost all new to the market) and a 12.8% market share. This type of competitive encroachment is exactly what has crippled Marsh Supermarkets, as indicated above.
Finally, Meijer is close to receiving all necessary approvals to begin construction on a store in Jamestown Township, MI. The 156,000 square-foot store will include a fuel station, convenience store and gardening center. The store is expected to open in July 2018.

U.S. Retail Sector: The Rise of Omnichannel Strategies in Food Retail

Online sales for the U.S. retail grocery industry are estimated to jump to $24.00 billion this year, from about $20.50 billion last year. Cross-sector competition has pushed grocery retailers to grow their online ordering and delivery services, but it remains to be seen whether food retailers' efforts to develop ordering and delivery options can result in a profit and/or outweigh the substantial costs. To explore this trend, we released a Special Analysis on the surge of omnichannel strategies in the U.S. food retail sector, which offers a broad survey of the major players. The report is the first part of our series on trends within omnichannel development across a range of retail sectors. **Click here** to view the report.

five BELOW Five Below's fourth quarter sales increased 18.9% to $388.1 million, and comps were up 1%. Profit rose 18.5% to $49.8 million. The Company opened five net new stores and ended the quarter with 522 stores in 31 states. This represents a 19.5% increase from the prior-year period. CEO Joel Anderson stated, "We achieved another strong year of 20% sales growth, reaching the $1.00 billion milestone in sales as we opened 85 net new stores and delivered our 11th consecutive year of positive comparable sales growth. This top-line performance was accompanied by operating leverage, while we continued to invest in the business, resulting in a 24% increase in EPS for 2016." Looking to fiscal 2017, the Company expects to open 100 new stores, including its first in California; the first 26 stores will open during the first quarter. Fiscal 2017 sales are expected to be $1.21 billion – $1.23 billion, and net income is projected to be $86.0 million – $89.5 million.

Fourth Quarter	Q16	Q15	%Chg	FYE16	FYE15	%Chg
Sales	$ 388.1	$ 326.4	18.9%	$ 1,000.4	$ 832.0	20.2%
Profit/Loss	$ 49.8	$ 42.0	18.5%	$ 71.8	$ 57.7	24.5%
Comps	1.0%	3.6%		2.0%	3.4%	

Earlier today Amazon.com announced it reached an agreement to acquire Dubai-based online retailer Souq.com. Souq.com, which sells consumer electronics, fashion, household items and other goods, claims to be the largest e-commerce site in the Arab world. Terms of the deal were not disclosed, but sources indicate Amazon's bid was around $580.0 million. Souq.com was said to be valued at $1.00 billion at the time of a funding round last year, but reports indicate that valuation has since dropped. The acquisition is expected to close in 2017.

Starting April 1, Amazon will be collecting sales tax from 45 states. The only states where Amazon won't collect sales taxes will be Alaska, Delaware, Oregon, Montana and New Hampshire, which are the five states in the union that do not have state sales taxes.

According to published reports, Deutsche Post's package service DHL will deliver goods for Amazon's AmazonFresh service in Germany. The two companies have signed an exclusive deal, and a trial will start in Berlin. Amazon launched a fresh food delivery service in Seattle in 2007 and has since expanded to a handful of other U.S. cities. Last year, it expanded the service to London.

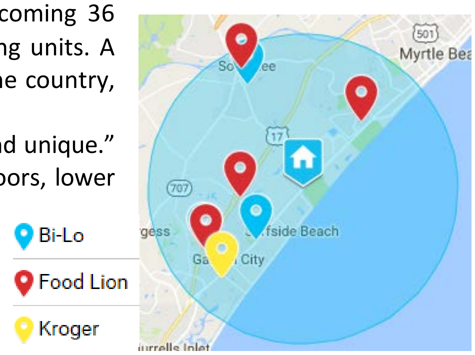
On March 23, Amazon opened its fifth brick-and-mortar bookstore in Lakeview, IL. The 6,000 square-foot store is the Company's first location in the Midwest. The Company plans to continue expanding the concept, with locations set for Paramus, NJ; Columbus Circle in Manhattan, and two in the greater Boston metro area.

Amazon has reportedly postponed the launch of its first "cashier-less" convenience store called Amazon Go, which was set to launch by the end of March, due to technical difficulties. Sources have indicated that Amazon is having trouble tracking more than 20 customers at the same time and monitoring items that move from their specific positions on the shelf. There was no indication of how long Amazon will delay the opening.

Meanwhile, Amazon is reportedly exploring plans to open physical furniture and home appliance stores that let customers shop in virtual reality. The technology would give people the ability to see how the couch or refrigerator looks in their home before buying it. Amazon is also rumored to be exploring an electronics-store concept. The store could include technology associated with Amazon devices and services.

Walmart will invest $800.0 million in its Chilean business over the coming 36 months, with plans to open as many as 55 – 60 new stores and remodel 50 existing units. A Walmart Chile representative stated, "We are confident in the future potential of the country, and we are convinced that spaces exist to continue expanding our low-cost model."

Walmart opened a Neighborhood Market in Myrtle Beach, SC, which it says is "new and unique." The 46,000 square-foot store is a prototype that includes updated signage, granite floors, lower countertops in the deli and bakery for easier ordering, and wider aisles. It also offers organic produce, meat, pantry and grocery staples, a full-service deli, an in-store bakery, a pharmacy, a fuel station and free in-store pickup. According to our **REtailTools Store Trends Concentration Map**, there are nine competing food retail stores within five miles of the new store, including three BI-LO stores, five Food Lions, and a Kroger.



Retail Locations Provided By AggData.com – Powered By RetailTools.com

Target will roll out its first "reimagined" store with enhanced grocery offerings at a 124,000 square-foot location in the Houston, TX suburb of Richmond in October. Chairman and CEO Brian Cornell introduced Target's newest store redesign plans last week. The redesign will roll out to hundreds of stores by 2019. In addition to the Houston location, 40 additional stores will receive elements of Target's next generation redesign when they are updated in October.

Upcoming Earnings

Dollarama – 4Q17 (3/30)

Department Stores

THE WEEK'S **Alerts / Updates / Snapshot Reports**

3/24 – Gordmans Stores, DIP – Case Summary Update

NORDSTROM Nordstrom plans to unveil showrooms for the tux rental startup The Black Tux in six full-line Nordstrom stores over the next six weeks, as part of a partnership with Men's Wearhouse. The first showroom will open at Nordstrom's Mission Viejo, CA full-line store. The Company expects that if the initial rollout goes well, the partnership may expand more widely. The Black Tux was founded in 2013 as a venture-backed startup that makes modern-cut tuxedos and suits that it rents for prices starting at $95. Shoppers can visit one of the six Nordstrom locations that will have a showroom to be measured and try on select tuxedos based on a limited in-store inventory, then place rental orders for home delivery. The move comes as the latest example of a department store chain turning to online startups to lure new, younger customers into its stores; in November 2016, Neiman Marcus partnered with women's dress rental service Rent the Runway to open the first of several in-store shops. The Black Tux operates three brick-and-mortar showrooms separate from Nordstrom, and plans to open two new locations in San Francisco and New York City.

Lord & Taylor, a subsidiary of Hudson's Bay Company, has transformed the fifth floor of its Manhattan, NY flagship into a dedicated space for dress shopping for all occasions, spanning over 30,000 square feet. The updated space, called The Dress Address, includes a rotating pop-up shop with vintage designer dresses, a concierge service and The Gallery, a dedicated space for designer dresses. The Company operates 50 full-line Lord & Taylor locations, primarily in the northeastern and mid-Atlantic U.S.

Insolvency Support Center

On March 24 (see our **Case Summary** update for more details), the Court overseeing the bankruptcy case of Gordmans Stores, DIP approved Stalking Horse status for the joint bid by Tiger Capital Corporation and Tiger Capital Group LLC. The Court established today as the deadline for bids. The auction is scheduled for tomorrow. Published reports indicate that former CEO Jeff Gordman and Stage Stores Inc. plan to make competing bids.

Personnel Changes

Macy's announced the appointment of Jeff Gennette as CEO, succeeding Terry J. Lundgren, who will continue as executive chairman. Mr. Gennette will continue in his role as president, a position he has held since March 2014.

U.S. Private Equity Review 2017

2016 was another strong year for global private equity fundraising, with firms raising an estimated $531.00 billion. U.S. firms saw a modest decline of 4% versus 2015, with $306.30 billion in assets raised. Nonetheless, deal activity has slowed; private equity acquisitions in the Americas declined 17% by value, to $154.00 billion. Still, despite concerns about the potential negative impacts of political uncertainty in the U.S. and in Europe on the fundraising and investing market in 2017, a pickup in private equity M&A activity could occur this year, with a Republican-controlled White House and Congress planning to repeal regulations and cut corporate taxes. Last week, we released a report on the U.S. private equity market, which offers an analysis of the state of the market, including notable deals from the past year, as well as a charted list of nearly 40 U.S. firms, their total assets, select holdings and deal activity. **Click here** to access the report.

Sporting Goods

THE WEEK'S Alerts / Updates / Snapshot Reports

3/27 – Sports Authority, DIP – Motion to Extend Exclusivity Periods
3/23 – Sportsman's Warehouse – Fourth Quarter Snapshot
3/23 – Gander Mountain, DIP – Claim Form – Reclamation Claims and/or 20 Day Claims
3/22 – Eastern Outfitters, DIP – To Move Forward with Sale to Sports Direct

Sportsman's Warehouse's fourth quarter sales increased 4.1% to $221.4 million, while comps decreased 5.2%. EBITDA margin fell 0.5% due to unfavorable SG&A margin, as costs increased faster than the revenue base. Profit fell 7.5% to $10.5 million. During its conference call, management said the Gander Mountain bankruptcy could present opportunities to acquire some stores in small communities in the Midwest. Higher-margin private-label sales increased 19% during 2016 but represented just 3.7% of annual revenue. Commenting on developments, CEO John Schaefer said, "The retail environment remained challenging during the fourth quarter and we anniversaried both the San Bernardino tragedy and the executive orders from December and January which created a difficult comparison for our hunting and shooting category. For fiscal year 2016, we continued to strengthen our market share position with 11 new stores and a 10.4% revenue increase over the prior year, maintained flat gross margins in a promotional environment, and managed expenses, inventory and capital expenditures with discipline." Looking to fiscal 2017, 12 store openings are planned, representing an increase of 350,000 square feet. For full details, please see our **Special Update** issued last Thursday.

Fourth Quarter	Q16	Q15	%Chg	FYE16	FYE15	%Chg
Sales	$ 221.4	$ 212.7	4.1%	$ 780.0	$ 706.8	10.4%
Profit/Loss	$ 10.5	$ 11.4	(7.9%)	$ 29.7	$ 27.8	6.8%
Comps	(5.2%)	4.0%		(0.7%)	1.1%	

In other news, the Company's board appointed Jon Barker to serve as president and COO, effective March 31. Prior to joining the Company, Mr. Barker served as VP, global officer for Walmart, where he also served as president and CEO of Hayneedle.com since 2013, and as group leader for the home and outdoor furnishings categories for U.S. e-commerce across Walmart.com, Jet.com and Hayneedle.com since January 2017.

Insolvency Support Center

On March 23, the Court overseeing Gander Mountain Company, DIP's bankruptcy case provided a form for filing Reclamation Claims and/or 20 Day Claims under section 503(b)(9). Please **click here** for a copy of the claim form, which must be delivered, along with supporting documentation, on or before May 14 to: (i) the Debtors, c/o Eric R. Jacobson, Chief Administrative Officer and Chief Legal Officer, Gander Mountain Company, 180 East Fifth Street, Suite 1300, St. Paul, MN 55101; and (ii) Fredrikson & Byron, P.A., 200 South Sixth Street, Suite 4000, Minneapolis, MN 55402, Attn: Clinton E. Cutler and Cynthia Moyer.

According to published reports on March 22 (see **Case Summary** update for full details), Eastern Outfitters, DIP announced it will not be seeking a Bankruptcy Court supervised auction process, rather it will move forward with a private sale to an affiliate of Sports Direct International, PLC. Sports Direct was the stalking horse bidder and also provided the Company with $85.0 million in DIP financing. In this scenario, the Company will keep open a portion of its locations. The proposed sale to Sports Direct will be reviewed at a hearing on April 19.

Yesterday, Sports Authority, DIP filed a motion to extend the periods within which it may file a Chapter 11 Plan and solicit acceptances thereof, through and including June 26, 2017, and August 24, 2017, respectively. The previous periods were set to expire March 27, 2017 and May 26, 2017, respectively. A hearing on the motion is scheduled for April 25, 2017. Both the Plan Period and the Solicitation Period are automatically extended until the Court has an opportunity to consider and act upon the relief requested in the motion. **Click here** to view the Case Summary updated yesterday.

Electronics / Office Products

THE WEEK'S Alerts / Updates / Snapshot Reports

3/23 – hhgregg, DIP – Details of DIP Facility / Amended Date for Bids

Systemax inked a deal with a management team backed by Hilco Capital Limited to sell all of its unprofitable European Technology Products Group businesses; the deal closed on Friday. Going forward, the Company continues to operate its Industrial Products Group and its Inmac Wstore brand in France, both of which remain profitable. These businesses generated revenue of $1.10 billion in 2016, with the Industrial Products Group contributing $715.6 million and the French business contributing $417.2 million.

The Company also reported first quarter sales increased 12.6% to $3.52 billion, with Technology Solutions revenue up 9.4% to $3.00 billion and Concentis revenue up 38.7% to $478.2 million. Overall profit was up 32.6% to $61.8 million. CEO Kevin Murai commented, "Solid execution in our Technology Solutions focused growth areas and strong overall performance in our Concentrix business, led to record Q1 results. Our diversified business strategy positions us well to pursue new opportunities and to proactively respond to the dynamic markets we compete in."

First Quarter	Q17	Q16	%Chg
Sales	$ 3,521.0	$ 3,126.0	12.6%
Profit/Loss	$ 61.8	$ 46.6	32.6%

Insolvency Support Center

hhgregg, DIP provided details of its $80.0 million DIP facility with Great American Capital Partners, LLC (GACP), a wholly owned subsidiary of B. Riley Financial Inc., and Wells Fargo Bank. The DIP facility consists of a $50.0 million revolving credit facility from Wells Fargo and a $30.0 million term loan provided by GACP. The Court previously authorized interim approval of the DIP facility, with a hearing on final approval scheduled for March 31. Additionally, the submission date for bids on the Company's assets was changed to April 7 from April 21, with an auction now scheduled for April 10 and a sale hearing on April 12. The bid rules were broadened to state that, "a qualified bid may be a going-concern or liquidation bid, or a collection of bids for a portion, or all of the purchased assets." See our **Case Summary** update for full details.

Future Outlook Analysis

For years, the office supply industry has been plagued with lower demand and too many stores. Unfavorable business conditions reflect a drop in the creation of small businesses, product commoditization, market saturation, technological improvements, fewer documents being printed, and the rise of cloud-based computing. Simply put, there is less need for paper and supplies in the workplace. Additionally, competition continues to intensify, both from within the industry and from mass merchandisers and Amazon. The loss of market share has resulted in pressure on revenue and even less control over pricing. These problems permeate the office supply industry, so there is no easy fix on the horizon. On March 20, ***Creditntell*** analysts released an in-depth analysis of **Office Depot's** operational issues (including its merger with OfficeMax and failed attempt at merging with **Staples**), store closings and real estate, debt, and cash flow and liquidity scenarios. Please **click here** to view the report.

Building Materials / Home Centers

BlueLinx Holdings completed the sale of its non-operating facility in Allentown, PA; the Company also sold its Fort Worth, TX and Miami, FL distribution facilities in a sale-leaseback transaction. BlueLinx intends to continue to use both facilities to serve customers in Dallas and South Florida, respectively. The transactions are part of the Company's initiative to reduce financial leverage. As a result of these and other property sales since April 2016, BlueLinx will fully satisfy its July 2017 mortgage payment obligation of $60.0 million. The Company will continue to explore additional sale and leaseback transactions, alternative refinancing options and other real estate optimization strategies to improve leverage and build financial strength.

Beacon Roofing Supply reached a settlement agreement with SRS Distribution, Inc. in litigation filed by Beacon in 2014 in Miami-Dade County, FL Circuit Court. Terms of the confidential settlement agreement with SRS were not made publicly available.

In a filing with the SEC on March 23, The Home Depot disclosed an ongoing investigation conducted by the Environmental Protection Agency (EPA) regarding its compliance with lead safety practices related to its installation services business. The Company is currently cooperating with the EPA's criminal investigation division, which is looking for monetary penalties and changes to The Home Depot's operations. SEC regulations require companies to disclose information about proceedings if there is reasonable belief that the proceedings may result in monetary sanctions of $100,000 or more; however, Home Depot does not expect the outcome to have a material adverse effect on its consolidated financial condition.

Apparel & Footwear

THE WEEK'S Alerts / Updates / Snapshot Reports

3/24 – Christopher & Banks – Credit Rating Change Alert
3/22 – bebe stores, inc. – Exploring Strategic Alternatives
3/21 – J. Crew Group – Q4 Comps Fall 5%

On March 22 (see our **Special Update** for full details), bebe stores, inc. retained B. Riley & Co. as its financial advisor to explore strategic alternatives. Additionally, bebe engaged a real estate advisor to assist with options related to its lease holdings. The Company stated in its press release, "there is no assurance that this process will result in any specific transaction, and it does not expect to disclose further developments during this process unless and until the Board of Directors has approved a specific transaction or otherwise determined that disclosure is appropriate."

In the Company's second quarter results reported last month, bebe reported sales declined 16.8% on a net of 22 store closures and comps declined 10.5% (on top of a 2.5% decrease last year). Although gross margin improved due to lower promotional activity and fewer markdowns, SG&A margin deleveraged 470 basis points due to lower sales and overall EBITDA declined into negative territory at ($2.0 million) compared to $3.0 million last year. bebe currently operates at a TTM EBITDA margin of 2.4%, well below our monitored apparel sector average of 10.4%. The Company previously stated that for fiscal 2017 it does not plan to open any new stores, and it will close up to 25 bebe and outlet stores.

This will result in a decrease in total square footage of 16% from the end of fiscal year ended July 2, 2016. bebe's current liquidity of $66.8 million as of December 31, 2016 should be adequate to fund working capital requirements in the near term; however, lease-cancelling negotiations do not always go according to plan. If all fails, the Company could be forced to explore other less favorable alternatives.

J. Crew Group's fourth quarter sales declined 2.3% to $695.0 million, and comps were down 5%, with J. Crew comps down 7% and Madewell comps up 6%. The Company recorded a profit of $1.1 million, compared to a loss of $7.0 million in the prior-year period. J. Crew's balance sheet remains leveraged from its May 2011 LBO, with a deficit tangible net worth position of $1.34 billion and more than $1.50 billion in debt. Management also noted in its quarterly conference call that first quarter comps are down 11% to date. The Company expects to open two J. Crew and 10 Madewell stores during fiscal 2017, while closing at least 20 underperforming locations. **Click here** to view our Snapshot Report issued March 21.

Fourth Quarter	Q16	Q15	%Chg	FYE16	FYE15	%Chg
Sales	$ 695.0	$ 711.0	(2.3%)	$ 2,425.5	$ 2,505.8	(3.2%)
Profit/Loss	$ 1.1	$ (7.0)	N.M.	$ (23.5)	$ (1,242.7)	98.1%
Comps	(5.0%)	(4.0%)		(7.0%)	(8.0%)	

While management did not comment on its efforts to move certain intellectual property into the Company's wholly owned unrestricted subsidiary, J.Crew Domestic Brand, LLC, its 10K filing dated March 21 noted that it offered holders of its HoldCo Notes (which has $543.0 million outstanding) to exchange them for $200.0 million of new 9% Notes due 2021 as well as 5% common equity in Chinos Holdings Inc. In the proposal, the IpCo Notes would be issued by unrestricted subsidiary J. Crew Brand, LLC and backed by the intellectual property of the J. Crew brand. However, published reports yesterday indicated that talks between the Company and the holders of the $543.0 million in debt collapsed last week. Meanwhile on Monday, a separate group of creditors led by Wilmington Savings Fund Society petitioned a New York court to unwind the asset transfer, which has a combined value of $250.0 million, saying it unfairly favored J. Crew's owners and bondholders. The transfer would move certain J. Crew trademarks to an offshore subsidiary out of the lenders' reach; the lenders requested the trademarks be returned to the pool of assets securing their $1.50 billion loan. J. Crew responded by saying it is allowed to invest up to $277.0 million in unrestricted subsidiaries, according to its loan agreement. Court records show that a hearing is scheduled for April 13 to discuss the issue.

Finish Line's fourth quarter sales declined 0.4% to $557.5 million, and comps fell 4.5%. On a brighter note, sales of branded Finish Line shops within Macy's locations increased 35%. The Company recorded a loss of $9.5 million, compared to a profit of $4.0 million during the prior-year period. CEO Sam Sato commented, "Our fourth quarter earnings performance represented a disappointing finish to a challenging year financially for our Company. As elements of our footwear offering did not resonate with our customers as we expected and the overall retail environment in February became increasingly difficult, we made the decision to get more aggressive on pricing to be competitive and clear slow moving product. While this allowed us to end fiscal 2017 with clean inventory levels, it put significant pressure on fourth quarter product margins." Finish Line opened six stores during fiscal 2017 and closed 24 underperforming locations, including seven during the fourth quarter; it ended the year with 573 stores. Looking to fiscal 2018, Finish Line expects comps to increase in the low-single digits and EPS to be $1.12 – $1.23, an increase of 6% – 16% compared to the $1.06 EPS in fiscal 2017.

Fourth Quarter	Q17	Q16	%Chg	FYE17	FYE16	%Chg
Sales	$ 557.5	$ 559.8	(0.4%)	$ 1,844.4	$ 1,799.0	2.5%
Profit/Loss	$ (9.5)	$ 4.0	N.M.	$ (18.2)	$ 21.9	N.M.
Comps	(4.5%)	4.6%		0.3%	1.8%	

Shoe Carnival's fourth quarter sales inched up 0.2% to $234.2 million, while comps slipped 1.2%. The Company recorded a loss of $92,000, compared to a profit of $4.2 million in the prior year; 4Q16 loss included non-cash impairment charges of $3.6 million related to seven Puerto Rico stores. CEO Cliff Sifford said, "Our comparable stores sales performance was in line with the updated expectations we provided in January and our gross profit margin came in better than we anticipated. Our team took decisive actions to promote our seasonal boot footwear to ensure we ended 2016 in a clean inventory position. We believe the strong athletic footwear cycle we experienced during the year will continue into 2017 and we are pleased with the early results from our casual sandal footwear." The Company opened 19 stores and closed nine underperforming stores during fiscal 2016, including four opened and four closed during the fourth quarter.

Fourth Quarter	Q16	Q15	%Chg	FYE16	FYE15	%Chg
Sales	$ 234.2	$ 233.7	0.2%	$ 1,001.1	$ 984.0	1.7%
Profit/Loss	$ (0.9)	$ 4.2	N.M.	$ 23.5	$ 28.8	(18.3%)
Comps	(1.2%)	1.8%		0.5%	3.0%	

On March 24, ***Creditntell*** analysts lowered the credit rating of Christopher & Banks two notches to D2 from C2, after reviewing the Company's fiscal 2016 results. The decrease reflects ongoing business deterioration, negative TTM EBITDA margin, management turnover and product mix uncertainty. Please **click here** to view full details.

According to published reports, Payless Inc. is looking to close 400 to 500 stores as it reorganizes its operations. The Company had previously considered shuttering up to 1,000 of its more than 4,000 stores located in 30 countries, and reports suggest the exact number has not been finalized. The reports also say that the potential closures may lead to a more formal restructuring in the coming weeks. The private equity firms Golden Gate Capital and Blum Capital Partners have owned Payless since 2012, when Collective Brands Inc. spun off the chain.

Personnel Changes

Citi Trends appointed Bruce Smith as acting CEO and Ed Anderson as executive chairman; Jason Mazzola resigned as CEO to pursue another opportunity. Mr. Smith continues to serve in his roles as COO and CFO while the Company commences a formal search to identify a permanent CEO. Mr. Anderson served as chairman since May 2006.

Zumiez appointed Troy R. Brown as president of North America; Mr. Brown previously served as the Company's EVP of e-commerce and omni-channel since August 2012. In addition, Adam C. Ellis was named president international; Mr. Ellis most recently served as the Company's SVP of global retail and business development since March 2014.

Specialty

THE WEEK'S Alerts / Updates / Snapshot Reports

3/24 – Rent-A-Center – Credit Rating Change Alert
3/23 – GameStop Corp. – 4Q Comps Fall 16.3%

On March 23, GameStop reported fourth quarter sales decreased 13.6% to $3.05 billion, driven by a 16.3% decline in comps, which were significantly impacted by the weakness of certain AAA titles and aggressive console promotions by other retailers during the holidays. As a result, new hardware sales declined 29.1%, and new software sales fell 19.3%. Pre-owned sales also dropped 6.7% compared to the prior-year period. Despite the significant deterioration in gaming, adjusted net earnings fell just 3.1% to $243.8 million. For fiscal 2017, the Company is projecting comps of -5% to flat and EPS of $3.10 – $3.40 compared to $3.40 in 2016. In 2017, the Company anticipates that it will open approximately 35 new Collectibles stores globally and roughly 65 new Technology Brand stores. The Company also anticipates that it will close 2% – 3% of its global store footprint.

Fourth Quarter	Q16	Q15	%Chg	FYE16	FYE15	%Chg
Sales	$ 3,045.4	$ 3,525.0	(13.6%)	$ 8,607.9	$ 9,363.8	(8.1%)
Profit/Loss	$ 208.7	$ 247.8	(15.8%)	$ 353.2	$ 402.8	(12.3%)
Comps	(16.3%)	3.1%		(11.0%)	4.3%	

Evine Live's fourth quarter sales decreased 9.9% to $190.5 million, attributed to a $21.0 million reduction in consumer electronics sales, which includes a $15.0 million reduction in hoverboard sales. Wearable categories, including jewelry, watches, fashion and beauty, posted 2% sales growth. Profit rose 206.9% to $2.0 million, and adjusted EBITDA increased 31% to $6.4 million, as a result of initiatives to rebalance the merchandising mix and decrease operating expenses. CEO Robert Rosenblatt said, "This is the fourth quarter in a row that we have expanded our gross margin rate, improved our cash position and grew our Adjusted EBITDA on a year-over-year basis. I'm very proud of our team and these results, particularly in light of the challenging macro retail environment. As previously noted, we continue to be on a different journey from our closest competitors. Our strategy to rebalance our merchandising mix and implement expense discipline has positioned us well for an exciting 2017."

Fourth Quarter	Q16	Q15	%Chg	FYE16	FYE15	%Chg
Sales	$ 190.5	$ 211.5	(9.9%)	$ 666.2	$ 693.3	(3.9%)
Profit/Loss	$ 2.0	$ 0.7	206.9%	$ (8.7)	$ (12.3)	28.8%

After reviewing Rent-A-Center's fiscal 2016 fourth quarter financial results, ***Creditntell*** analysts downgraded the Company's credit rating one notch to D1 from C2 due to persistently negative comparable store sales, significant EBITDA erosion, and higher leverage. See our **Credit Rating Change Alert** for more details.

Jo-Ann Fabric and Craft Stores has launched the 'Buy Online, Pick Up in Store' service at all 862 of its retail locations. Jo-Ann offers more than 150,000 SKUs in fabric, craft and décor categories.

At Home Group reported fourth quarter sales increased 26.4% to $234.5 million, driven by the addition of a net 23 new stores over the past year and a comp increase of 7.1%. The Company opened one new store during the fourth quarter and ended the year with 123 stores operating in 30 states, representing a 23% increase year-over-year. Profit fell 74% to $15.3 million as a result of a difficult comparison to the prior year period when the Company recorded an income tax benefit of $47.6 million compared to an expense of $8.7 million this year. Adjusted profit rose 101.8% to $17.4 million compared to $8.6 million last year. CEO Lee Bird stated, "We are pleased to report results for our 11th consecutive quarter of over 20% net sales growth and our 12th consecutive quarter of positive comparable store sales growth. Our fourth quarter outperformance was driven by strong new store results accompanied by a 7.1% comparable store sales increase as we further elevated our holiday assortment and capitalized on an inventory opportunity identified earlier in the year, both of which were well-received by our customers. Our unparalleled in-store home décor assortment, together with our compelling value price points, are resonating with our customers now more than ever."

Fourth Quarter	Q17	Q16	%Chg	FYE17	FYE16	%Chg
Sales	$ 234.5	$ 185.5	26.4%	$ 765.6	$ 622.2	23.1%
Profit/Loss	$ 15.3	$ 58.8	(74.0%)	$ 27.1	$ 3.6	657.3%
Comps	7.1%	3.9%		3.7%	8.3%	

Drug

A federal judge has dismissed two of the six counterclaims that Express Scripts Holding raised in health insurer's Anthem's $15.00 billion lawsuit claiming it charged too much for drugs. The dismissed claims include that Anthem breached an implied covenant of good faith and fair dealing, saying it duplicated a breach of contract claim, and an unjust enrichment claim. Anthem had sued Express Scripts last March, accusing it of excessive pricing and operational failures. It also sought the right to terminate its 10-year contract with Express Scripts, which began in 2009.

Last week, Bartell Drugs introduced a specialty pharmacy service at all of its stores, offering medication management, education and payment support services for customers with a range of medical conditions that include cancer, hepatitis B and C, HIV and rheumatoid arthritis. Participating customers attend in-person check-ins and receive wellness calls by trained professionals who monitor progress and answer questions. Bartell also announced it will provide minor medical care services through their certified pharmacists at twelve stores. The care varies but includes treatments for insect stings, allergies, burns, and yeast infections. The Company operates more than 66 drug stores in the Seattle, WA metro area.

On February 28, Trusted Health Plan, a Washington D.C. headquartered Managed Care Organization (HMO), acquired Harbor Health Plan from Tenet Healthcare. Harbor has been operating as a licensed HMO in Michigan since 2000. The deal was reportedly valued at $16.0 million.

Casual Dining & Restaurants

THE WEEK'S Alerts / Updates / Snapshot Reports

3/27 – Darden Restaurants – To Acquire Cheddar's for $780.0 Million
3/23 – Checkers Drive-In Restaurants – To Be Acquired for $525.0 Million

Restaurant Brands International completed the acquisition of Popeyes Louisiana Kitchen on March 27, following the successful completion of its tender offer to purchase all of the outstanding shares of common stock of Popeyes at $79 per share. As of the expiration date of the tender offer on March 24, 17 million shares of Popeyes common stock had been validly tendered and not withdrawn, representing roughly 83% of Popeyes' outstanding shares of common stock. Upon consummation of the merger, Popeyes will become an indirect, wholly-owned subsidiary of RBI.

During Starbucks' annual meeting, the Company announced plans to create more than 240,000 new jobs globally (68,000 in the U.S.) as it reiterated its intent to open 12,000 new stores globally and 3,400 new stores in the U.S. by fiscal 2021, including 100 more Military Family Stores in the U.S. to support military communities.

Freshii CEO, Matthew Corrin, recently wrote an open letter to Subway urging the companies to form a partnership whereby "select Subway stores" are converted "to Freshii restaurants in a quick, low-cost way." Freshii is a Canadian fast-casual salad and wrap concept founded in 2005, with about 240 restaurants across 15 countries. The letter states that Subway has nearly 44,000 restaurants globally but adds, "too much of anything can be unhealthy." According to the letter, restaurant industry analysts agree that Subway has overdeveloped its retail base, with too many restaurants chasing fewer customers. The letter states that over time, Freshii will open thousands of restaurants around the world; however, it could get there faster through a partnership.

Yum! Brands completed the repricing of the existing approximately $2.00 billion term loan B under its senior secured credit facility pursuant to an amendment that reduces the interest rate by 0.75% to adjusted LIBOR plus 2%, with a rate stepdown to LIBOR plus 1.75%, in the event the secured leverage ratio is less than 1 to 1. The repricing is expected to reduce annual cash interest by approximately $15.0 million.

Bojangles' Restaurants signed a new multi-unit development agreement with VABO, Inc. of Wilmington, NC, operator of several quick-service restaurants in South Carolina and Georgia. According to the agreement, VABO is scheduled to open four new Bojangles' restaurants over the next four years, including possible locations in Chesapeake, Portsmouth and Virginia Beach, VA.

Darden Restaurants reported third quarter sales increased 1.7% to $1.88 billion while diluted EPS expanded 60%. Comparable restaurant sales grew 0.9% during the quarter, reflecting increases of 1.4% at Olive Garden, 0.2% at LongHorn Steakhouse, 0.9% at The Capital Grille, 4.7% at Eddie V's, 0.8% at Seasons 52, 0.5% at Bahama Breeze. Comps declined -1% at Yard House. Over the past year, the Company added a net of 10 new Company-owned stores, bringing its store count to 1,545 as of February 26.

Third Quarter	Q17	Q16	%Chg	YTD17	YTD16	%Chg
Sales	$ 1,878.7	$ 1,847.5	1.7%	$ 5,235.6	$ 5,143.3	1.8%
Profit/Loss	$ 165.6	$ 105.8	56.5%	$ 355.3	$ 235.4	50.9%
Comps	0.9%	N.A.		4.2%	N.A.	

Darden increased its fiscal 2017 EPS outlook to $3.95 – $4.00 reflecting an updated outlook comp growth of 1.5%. Previous guidance had been for EPS of $3.87 – $3.97, and comp growth of 1% – 2%.

The Company also announced yesterday that it has agreed to acquire Cheddar's Scratch Kitchen for $780.0 million in an all-cash transaction. The purchase price represents a multiple of 10.4x TTM EBITDA. The transaction is expected to be accretive to earnings in fiscal 2018. The deal is anticipated to close in the Company's fourth quarter, ending May 28, 2017. For further detail see our **Special Update**.

Personnel Changes

CKE Restaurants appointed Jason Marker as its new CEO, effective this April. Mr. Marker most recently served as president of YUM! Brands' KFC U.S.

Meanwhile Yum! Brands promoted Kevin Hochman to president and chief concept officer of KFC U.S. Mr. Hochman previously served as CMO of KFC U.S.

Brinker International named Steve Provost EVP and chief marketing and innovation officer of Chili's Grill & Bar. Mr. Provost formerly served as brand president of Brinker's Maggiano's Little Italy.

Dunkin' Brands Group announced that CFO Paul Carbone is leaving the Company, effective April 21, for a general management position in the specialty retail industry. Kate Jaspon, Dunkin' Brands VP, finance and treasurer, has been appointed to serve as interim CFO while the Company searches for a permanent replacement.

Retail / Wholesale Food

THE WEEK'S Alerts / Updates / Snapshot Reports

3/24 – PCG – Central Grocers, Inc. – Strategic Alternatives Update
3/21 – Southeastern Grocers – Moody's Downgrade

As outlined in our **Personal Insights** issued last week, Marsh Supermarkets closed 10 stores over the last three years through 2016 (15% of its store base), with closures accelerating in 2017 and multiple recent reports of skipped invoices. According to published reports, Marsh has also stopped paying rent on six Indianapolis stores prompting lawsuits by property owners, who are attempting to collect a total of at least $480,000 in unpaid rent and property taxes. Marsh already closed three of its Indianapolis supermarkets thus far in 2017 with a fourth underperforming store expected to close in early April. Sun Capital purchased Marsh which operated about 120 grocery stores in 2006; it is now down to 67 and will likely shrink further including locations they have stopped rent payments on. With no interested suitors, Marsh's immediate outlook is full of doubt.

At its shareholder meeting held last week, Associated Wholesale Grocers (AWG) reported that 2016 sales increased 2.7% to $9.18 billion. Year-end patronage distribution hit a record of $201.7 million, or 2.78% of qualifying sales. Total distribution to AWG members, including promotional allowances, year-end patronage and interest, was $546.0 million. Stock value increased to $2,000 per share, up 4.4%. Total members' investment and equity was up 14% to $544.0 million. Over the past 50 years, AWG has reported compounded annual sales growth of 8.7% and a compounded patronage growth rate of 11.8% on returns to members. In October 2016, the Company completed its unification with Affiliated Foods Midwest, which allowed it to enhance services to retailers in northern markets such as the Dakotas, Minnesota, Wisconsin and Michigan, and expand its footprint west into Wyoming and Colorado. Last week, we also issued a **Special Update** on Central Grocers' strategic alternatives, which speculated AWG could be a potential suitor for its wholesale business.

Following the Moody's downgrade of Southeastern Grocers' debt last week (see our **Special Update**), S&P followed by downgrading the corporate credit rating of operating subsidiary BI-LO, LLC to CCC from B-, with a "*negative*" outlook. According to S&P, the Company will begin accruing interest, rather than paying cash, on the unsecured 8.625% payment-in-kind (PIK) notes due September 2018 based on restrictions limiting upstream dividends from the operating subsidiary to its parent BI-LO Holding Finance, LLC, which issued the notes. S&P also lowered the issue-level rating on the 8.625% notes to CCC- from CCC. The recovery rating remains '6', reflecting expectation for negligible (0% – 10%) recovery in the event of default, thus the excessive yield of approximately 65%.

Schnuck Markets said it has selected warehouse management and transportation firm Penske Logistics as the new operator of the 915,000 square-foot distribution facility it opened in Kinloch, MO in July. Penske will be replacing XPO Logistics, who is suing Schnucks for allegedly prematurely opening the facility and improperly withholding at least $1.3 million in payments. Schnucks denied those allegations and blamed XPO for problems at the DC. XPO plans to lay off 204 employees across three facilities by April 20. Penske is preparing to begin managing supply and distribution operations this spring.

On March 27, Aramark issued $325.0 million of 3.125% Senior Notes due 2025. Proceeds, together with other financing sources, will be used to refinance term loans under Aramark's senior secured credit facilities and to pay certain related fees and expenses. Moody's assigned a Ba3 rating to the proposed Note and, as a result, withdrew the Ba3 rating from Aramark's senior unsecured Euro notes due 2025.

This summer, Hy-Vee plans to add F&F clothing boutiques to two stores in both Lincoln, and Omaha, NE. F&F is a British fashion label that offers moderately priced clothing for men, women and children, and is owned by Tesco. Hy-Vee entered into a franchise agreement to sell the clothing last year, and the first F&F boutique opened in a Minneapolis-area Hy-Vee store in June 2016. There are now five Hy-Vees in Minnesota and two in the Des Moines, IA metro area that have the boutiques, which average about 3,000 square feet. The boutiques are made to fit into the stores' existing footprints, and include fitting rooms and their own checkout area.

H.T. Hackney, whose furniture brands include Holland House, Davis International, Folio 21 and Step One, is investing more than $10.0 million in a new showroom building in High Point, NC. The Company acquired a 26,000 square-foot building across the street from the parking lot of its Centennial on Hamilton showroom. It is also building a 138,000 square-foot, four-story building next door that will be connected to the existing building, for a total of 164,000 square feet. Holland House and its sister brands will occupy about 96,000 square feet of the complex, with completion of the new showroom expected by April 2018. H.T. Hackney plans to lease the remaining 68,000 square feet of space.

According to a recently released industry report, Whole Foods experienced a 3% traffic decline over the last year and a half, or about 14 million customers. The report states that Kroger stands to gain the most, as it has $16.00 billion in natural and organic sales, and has the "most meaningful overlap" with Whole Foods with nearly half of Kroger's stores (47%) within three miles of a Whole Foods. More than half (51.8%) are within five miles.

Some Think Grocery Deflation Will Go Down So Profits Go Up… Last week, Moody's issued a report saying that it expects supermarket operating profits to grow 8% this year as deflation eases. This compares to a disappointing decline of 5% in 2016, which was negatively impacted by an unprecedented level of deflation for an economy not in a recession. The report noted that as downward pressure on prices wanes, growth will come mainly in the second half of this year and will be driven by promising trends in private-label products and natural and organic food. Moody's noted that brick-and-mortar stores are still driving growth in food retail, with online sales accounting for just 1% of the market. Unlike other sectors of the U.S. retail market, brick-and-mortar grocers are not as threatened by online competitors. Moody's expects the overall food retail market to grow, on average, 2% – 3% annually and online penetration to be less than 3% of the total food retail market in the next five years. Still, the rating agency expects further consolidation in an over-stored industry, as regional chains look to extend their geographic reach and unprofitable stores are divested or closed. The USDA estimated prices declined 1.3% in 2016, however, many grocery retailers are expecting a return to slight inflation for the year.

Tesco has agreed to pay a £129.0 million fine plus compensation to settle an investigation over a 2014 accounting fraud. Tesco said it would take a one-off charge of £235.0 million, including related costs, in its fiscal 2016 results, due on April 12. The Company has struck a "deferred prosecution agreement" (DPA) with Britain's Serious Fraud Office (SFO), enabling it to avoid a criminal conviction provided it meets certain conditions and pays the financial penalty. It will also pay compensation to certain investors of around £85.0 million.

Instacart will pay $4.6 million and change the way it explains fees to users as part of a settlement of a class-action lawsuit brought by employees of the Company. The settlement will now change the language of how the Company assesses the new service fee, which many users assumed was a built-in tip for drivers. Independent contractors who pick out and deliver groceries for Instacart claimed 18 violations, including improper tip pooling and failure to reimburse workers for business expenses. Instacart denies the claims. Instacart, which operates in 34 metropolitan areas and partners with approximately 135 retailers, makes most of its money from charging more for retail items, as well as from delivery fees. The Company raised its fees for customers from $99 to $149 for its annual unlimited service and increased delivery fees from $3.99 to $5.99.

Insolvency Support Center

Haggen, Inc., DIP filed its monthly operating report for the period ended February 23. At that date, the Debtor reported cash of $40.7 million, including $8.1 million in restricted cash held to pay future self-insured workers compensation claims. Total assets reported were ($6.3 million), down from $276.5 million at January 26. Total liabilities were $186.9 million including an intercompany note payable of $34.7 million which was down from $159.9 million at January 26, and total liabilities subject to compromise of $132.1 million, including accounts payable of $52.3 million and a lease rejection liability of $67.1 million. For additional details on the case, see our **Chapter 11 Case Summary**.

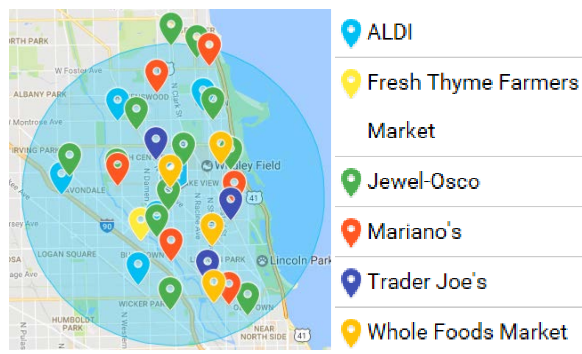
Associated Wholesalers, Inc., DIP filed a motion to extend the deadline to remove claims or causes of action from March 29, 2017 to December 31, 2017, which is the same as the Debtors' current deadline to file objections to claims. The Debtors state that losing the right to remove actions would only prejudice the Debtors, and potentially be detrimental to all creditors. The Plan of Liquidation became effective November 21, 2016. The post-confirmation Debtors indicated it needed the extra time due to a variety of factors including the ongoing negotiations with claimants holding large secured, administrative and priority claims, including 503(b)(9) claims and the numerous pending adversary proceedings. To date, the post-confirmation Debtors have made distributions on account of allowed secured, administrative and priority claims to approximately 325 claimants in an aggregate amount totaling approximately $18.0 million. A hearing on the motion will be held on April 25. For additional details on the case, see our **Chapter 11 Case Summary**.

Store Activity

Last Thursday, Giant Eagle opened a new store in Erie, PA. The 75,000 square-foot store offers some new services to the area including online ordering and curbside pickup. The store replaces two other Giant Eagle stores nearby, which closed earlier this month, along with a GetGo location. Giant Eagle also operates nearby stores in Millcreek, Harborcreek, Girard, Edinboro, Meadville and Titusville, PA.

According to public county records, on March 20 Ingles Markets purchased seven acres of land in Arden, NC for $4.6 million. The Company did not disclose what it will use the land for. The closest Ingles is a store about three miles away in Fletcher.

Last week, Whole Foods opened a new store in Lakeview, IL, replacing an older location across the street. The new store is nearly double the size of the previous one, at 75,600 square feet across two floors, with half the space devoted to dining experiences, ranging from a full-service wine bar to hot and cold food bars. According to our **REtailTools Store Trends Concentration Map**, there are 30 competing food retail stores within three miles of the new store, including four other Whole Foods, six ALDI, 12 Jewel-Osco, six Mariano's, three Trader Joe's and one Fresh Thyme.
The opening comes at a challenging time for Whole Foods, which recently announced nine store closings, including one in south Evanston, IL, and abandoned its longtime goal of opening more than 1,200 stores. Currently, Whole Foods has about 440 stores in the U.S. with another 80 in the pipeline.



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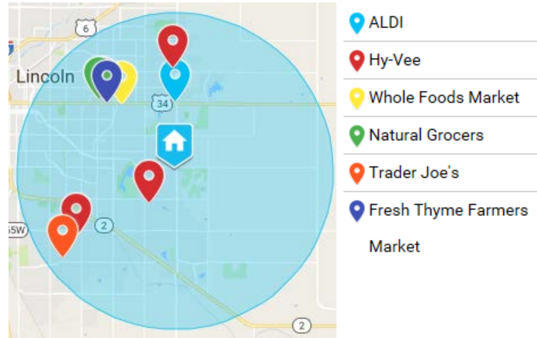
Last week, ALDI broke ground on its first Virginia distribution center located in Dinwiddie. The Company is investing $57.0 million to build the 500,000 square-foot facility, which is expected to open in August 2018. ALDI's expansion into Dinwiddie is part of a broader plan to increase the Company's footprint in Virginia. Over the next few years, ALDI expects to add an additional 80 stores to the 38 it currently operates in Virginia. This refocus on the mid-Atlantic region may have something to do with Lidl's pending entrance in the area over the next few months. Lidl's first 20 US stores will be opening in North Carolina, South Carolina and Virginia, where it established its U.S. headquarters in 2015.
In other news, last week ALDI opened its fifth store in the Fort Worth, TX market. The store has a newer look with an expanded produce selection, higher ceilings and natural lighting. ALDI will now have 57 stores in the Dallas-Fort Worth metro area and 15 in the Fort Worth area, including locations in Haltom City, White Settlement, Saginaw, Arlington, Hurst, Pantego, North Richland Hills, Euless and Mansfield. By the end of 2018, the Company expects to have nearly 2,000 stores in the U.S.

Wegmans has set opening dates for two northern New Jersey stores, including a 113,000 square-foot store in Hanover that will open on July 23; and a 108,000 square-foot store in Montvale set to open on September 24. Both are about 30 miles away from NYC. Meanwhile, the Company has also announced plans for 10 additional stores, including units in North Carolina, which it will be entering for the first time with four stores in the Raleigh/Durham/Chapel Hill metro area. Wegmans currently operates 92 total stores in New York, Pennsylvania, New Jersey, Virginia, Maryland and Massachusetts.

Fareway Stores plans to build a 6,500 square-foot full-service meat market in Lincoln, NE, expected to open by late fall. It will be the Company's second new concept store, after the first launched last spring in Omaha. The new concept includes a full-service meat department complemented by an expanded seafood section, artisan cheese, wines and beer, as well as other expanded offerings. According to our **RetailTools Store Trends Concentration Map**, there are nine competing food retail stores within five miles of the new store, including one ALDI, four Hy-Vee stores, a Whole Foods, a Natural Grocers, a Trader Joe's and a Fresh Thyme Farmers Market.



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Fareway Stores operates about 120 stores in Iowa, Illinois, Minnesota, Nebraska and South Dakota. It is known for opening stores mostly in small towns and has several stores in the Omaha, NE metro area and one in Nebraska City.

Last week, Martin's Super Markets opened a new store in South Bend, IN, replacing a nearby location. Among the new features of the replacement store is a Martin's Smokehouse BBQ facility (its second chain wide), a community room with seating for up to 84, a Starbucks kiosk and a pharmacy. The supermarket is anchored by a Martin's Express convenience store/fuel center. It offers Martin's Groceries-To-Go, an app- and web-based ordering system in which customers can order online and schedule a time for pickup. Martin's Super Markets operates more than 20 stores in Indiana and Michigan.

Brookshire Brothers recently opened its relocated Brookshire Brothers Express store in Valley Mills, TX, which features fresh meat and produce, a deli, Western Union, money orders and a full-service courtesy booth. Brookshire Brothers operates 115 retail outlets, including grocery stores and convenience stores as well as free-standing tobacco, pharmacy and fuel locations, in Louisiana and Texas.

On March 23, Wawa held grand openings for three stores in south Florida including two in Palm Springs and one in Riviera Beach; its first Wawa stores in Palm Beach County. The Company operates more than 730 convenience stores, with more than 500 offering gas, in Pennsylvania, New Jersey, Delaware, Maryland, Virginia and Florida.

Casey's General Stores will open a new convenience store in Pella, IA and, as indicated in our **TNT Database**, will close three nearby stores next month.

Last week, Butera Fruit Market opened a new store in Grayslake, IL, bringing its store count to 12. Butera invested $6.2 million into remodeling and expanding the 35,000 square-foot space, which was vacant since 2013. According to the Company, the new store will offer an extensive produce department, a deli and international foods, along with supermarket staples. Village documents estimate annual sales for the store at $8.0 million to $9.0 million. According to our **RetailTools Store Trends Concentration Map**, there is only one competing food retailer (Jewel-Osco) within three miles of the new store. Butera will be opening another location in Des Plaines, IL later this year.

Personnel Changes

SpartanNash has promoted Mike Pahud to COO of Caito Foods, effective immediately. Caito Foods was acquired by SpartanNash earlier this year; it supplies fresh fruits and vegetables, prepared foods and floral products to grocery retailers and foodservice distributors in 22 states. Mr. Pahud has been serving as Caito's CFO since joining the Company in February 2013. SpartanNash also promoted Bill Jacobs to VP, treasury and corporate development. Mr. Jacobs has been with SpartanNash for nearly 24 years, serving as the Company's Treasurer since 2005.

Sysco Corporation announced that Ajoy H. Karna has been named SVP, international foodservice operations – Europe, effective April 17. Mr. Karna will be responsible for Brakes Group, which encompasses Sysco's operations in Europe, including the U.K., Ireland, France, Sweden, Spain, Belgium and Luxembourg. Ken McMeikan, CEO of Brakes Group, will remain with the Company for a brief transition period.

Golden State Foods (GSF) recently announced several changes to its executive leadership team and global food operations to further align its global growth strategy. Joe Heffington, formerly corporate VP and chief accounting officer, was promoted to corporate SVP and CFO. Brian Dick, formerly corporate VP and president, global liquid products North America, was promoted to corporate SVP and president, global liquid products and GSF Fresh! produce. To view a copy of our recently issued Foodservice Sector Distributor Overview on GSF, please **click here**.

Upcoming Earnings

Tops Holdings – 4Q16 (3/30)

General Interest

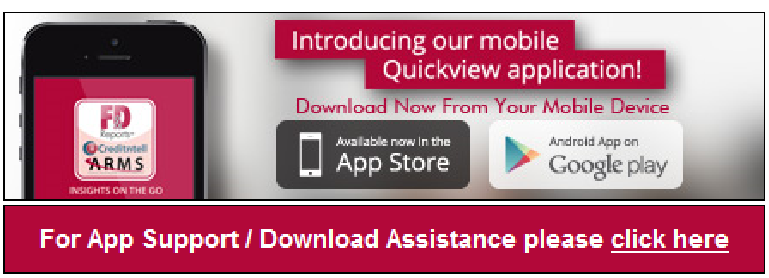
Yesterday, The Supreme Court ruled that it will not restore a $7.25 billion settlement between merchants and Visa Inc. and MasterCard Inc. over credit card transaction fees. This clears the way for merchants to sue for additional charges incurred in recent years. The Supreme Court decision also creates an opening for legal action by merchants who want to challenge moves by Visa and Mastercard to raise so-called credit-card swipe fees in the future.

A group of 19 merchants and trade groups claimed in the lawsuit that Visa and MasterCard conspired to fix fees charged to stores for handling credit card payments. The settlement was opposed by many large retailers, and the National Retail Federation and the Retail Industry Leaders Association (RILA) both asked the court to let the appeals court ruling stand.

FDARMS Enhanced Dashboard and Credit Profiles

Delivered via our Proprietary Qualitative Model that Produces Early Warning Signs of Private Company Insolvencies

We invite you to visit our customizable ARMS Dashboard, offering additional breadth and depth to our unparalleled private company coverage. The new site displays how your accounts receivable are performing against other suppliers on a total file or individual customer basis; alerts you when one of your customers has begun to slow its trade payments or when one of your accounts is involved in a lawsuit, judgment or collection placement; and integrates additional accounts receivable management tools for our over 300 trade tape participants. We concurrently rolled out a brand new credit profile design banking and UCC information, current and historically trended vendor experience, payment experience by segment, public abstract data (suits, judgments, tax liens), and proactive alert change notification. Please **click here** to view your customized dashboard.



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Credit Facility Database

Aaron's, Inc.
Barnes & Noble Education, Inc.
Builders FirstSource, Inc.
CDW Corporation
Christopher & Banks Corporation
Connection
CVS Health Corporation
Destination XL Group, Inc.
Essendant Inc.
Genuine Parts Company
Kohl's Corporation
Noodles & Company
L Brands, Inc.
Patrick Industries, Inc.
Red Robin Gourmet Burgers, Inc.
Rent-A-Center, Inc.
Target Corporation
Tilly's, Inc.
Universal Forest Products, Inc.
Zumiez, Inc.

Chapter 11 Daily

Know every Chapter 11 bankruptcy filing the next morning. Word always gets out quickly on the BIG ONES, but now you have a tool that makes sure the mid-and lower-tier filings are not missed. Please **click here** to see what the fuss is about.

Reports Recently Issued

Patrick Industries – FYE Report
CDW Corporation – FYE Report
Target Corporation – FYE Report
Universal Forest Products – FYE Report
Genuine Parts Company – FYE Report
Red Robin Gourmet Burgers – FYE Report
Tilly's – FYE Report
L Brands – FYE Report
Kohl's Corporation – FYE Report
Essendant – FYE Report
Rite Aid Corporation – Crystal Insights
Fred's, Inc. – Crystal Insights
99 Cents Only Stores – Crystal Insights
Sears Holdings – Crystal Insights
Aaron's – FYE Report
Weekly Bond Watch
Builders FirstSource – FYE Report
Rent-A-Center – FYE Report
Costco – 2Q Report
Nordstrom – FYE Report
The Gap – FYE Report
Staples – FYE Report
Noodles & Company – FYE Report
Christopher & Banks – FYE Report
Destination XL Group – FYE Report
CVS Health – FYE Report
Connection – FYE Report

With regards from the **Creditntell** Executive and Research Staff. If you have any questions, contact us at **1–800–789–0123**

Larry Sarf – President/CEO, ICI and ARMS	**ext. 102**	Lori Ziegler – Director of Client Relations, Creditntell	**ext. 148**
Kevin Slack – Division President, Creditntell	**ext. 103**	Ramona Bolozan – Director of Analytical Support / ARMS	**ext. 124**
Steve Dove – Division President, F&D Reports	**ext. 121**	Marc Heller – Director of Integration, Retailsails / Creditntell	**ext. 182**
Dennis Cantalupo – COO, Creditntell	**ext. 110**	Michael Infranco – Senior Analyst, Retail & Wholesale Food	**ext. 126**
Albert Furst – COO, F&D Reports	**ext. 147**	Jeff Corpiel – Senior Analyst, Home Centers & Auto	**ext. 129**
Michael Blackburn – SVP, Food & Drug Retail	**ext. 131**	Gary Weber – Senior Analyst, Drug Wholesale, Deep Discount	**ext. 152**
Chuck LeWinter – VP, Sales, Creditntell	**ext. 143**	Owen Meyer – Senior Analyst, Apparel & Footwear	**ext. 160**
Tali Waxman – SVP, Sales, F&D, ARMS	**ext. 113**	Jesse Lee – Retail Analyst, Dining, Movie Theaters, Specialty	**ext. 114**
Tony Lobosco – SVP, Marketing, F&D, ARMS	**ext. 150**	Alan Lee – Retail Analyst; Retail & Wholesale Food	**ext. 146**
David Silverman – VP, Creditntell	**ext. 119**	Chris Broccoli – Junior Analyst	**ext. 165**
Jim Rice – VP, Creditntell	**ext. 127**	Peter Ostrowski – Junior Analyst	**ext. 166**
Robert Marzo – Division President, Market Service	**ext. 173**	Cassandra Kasparian – Dir., Research; Chief Editor	**ext. 136**
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Gina Pascuzzo – Asst. VP of F&D, ARMS, Client Support	**ext. 185**	Evan Shusterman – General Counsel	**ext. 162**