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NEVADAN AT WORK: Retired accountant invests in Checkers — and savors \$6 burger deal



David Meldrum, owner of two Checkers fast-food restaurants in Las Vegas, is shown at the store at 825 N. Rancho Drive in Las Vegas on Thursday, April 3, 2014. (Bill Hughes/Las Vegas Review-Journal)



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When David Meldrum moved to Las Vegas five years ago, the valley's extensive restaurant inventory lacked one national quick-service food chain: Tampa, Fla.-based Checkers Drive-In.

So, Meldrum saw a fast-food vacuum to fill.

The 61-year-old retired accountant opened the valley's first Checkers at East Desert Inn Road at Boulder Highway in 2009 and recently opened a Checkers on Rancho Drive.

Meldrum plans to open a third Checkers later this year, with plans to open another trio of restaurants in the Las Vegas market to compete against the well-known burger fast-food brands such as McDonald's, Burger King and Wendy's.

"The biggest thing is finding good locations that fit the area," Meldrum said.

Las Vegas burger lovers from the Southeast United States know Checkers for its seared burgers, seasoned french fries, chicken wings and milkshakes. Checkers was founded in 1986 and merged with Rally's Drive-in Restaurants in 1999 to create Checkers/Rally. With more than 800 restaurants in 30 states, Checkers/Rally is the biggest double-drive through chain in the United States.

"I'm amazed at how passionate Checkers people are from back East," Meldrum said.

Meldrum initially saw Checkers as a business investment, but then grew to savor its products. He said the flavorful burgers, fries and wings sold round-the-clock in a drive-thru format would fit Las Vegas's 24-7, car-centric lifestyle.

"I feel we compete very well against the other hamburger fast food restaurants," said Meldrum, who was born 20 miles north of Detroit before moving to the Los Angeles area. Meldrum, who worked more than 30 years as a certified public accountant, moved to Las Vegas from north San Diego County.

Checkers began franchising in 1990. About half of its restaurants are company-owned; half are franchises.

Checkers requires franchisees to have a net worth of \$750,000, including available liquid capital of \$250,000. Startup costs range from \$240,000 to \$1.2 million, with an average of \$500,000, depending on real estate and construction costs. There is also a one-time \$30,000 franchise fee, and annual royalty payment of 4 percent of gross sales. It's a 20-year agreement.

Meldrum said he is financing his restaurants through personal and other sources. Each location has about 25 to 30 workers.

Medrum, who is a fan of the Checkers \$6 signature burger combo deal, said the company is rolling out a shrimp basket and funnel cake as a limited-time offer.

Question: How did you first find out about Checkers?

Answer: I had experienced the great taste of Rally's burgers and fries from locations near our previous homes in Los Angeles and San Diego and became aware that they were part of Checkers.

Question: What was your reaction when you were in Las Vegas and didn't see any Checkers restaurants?

Answer: I was surprised that there were no Checkers in Las Vegas and excited at the opportunity to bring Checkers great value and big flavor to the valley.

Question: Why is the Las Vegas Valley ripe for expanding the number of Checkers restaurants?

Answer: The tremendous growth in Las Vegas in recent years has made the valley a melting pot of people from other parts of the country, many of whom have fond memories of growing up with Checkers. It seems like a natural fit to bring Checkers to Las Vegas. Checkers offers great food at a great value and I believe that is what consumers want.

Question: How will you separate the Checkers brand from other big fast food burger chains like McDonald's and Burger King?

Answer: We bring a bold, craveable menu with our seasoned burgers, famous seasoned fries and chicken wings as well as exciting new products.

Question: Many Checkers are known for their drive-thru and outdoor patio facilities. Why are you looking to also have indoor sit-down access?

Answer: We continue to offer patio seating for those that wish to enjoy the great weather we experience much of the year in Las Vegas. However, for those times when outdoor conditions are too extreme, we wanted to give our loyal customers an environment where they would always be comfortable at Checkers.

Question: What was the transition like to go from being a retired accountant to owning and expanding a chain of quick-service restaurants?

Answer: It has been an exciting learning experience. Strong support from Checkers has been invaluable and I was fortunate to have had the assistance of experienced industry operators in opening my first restaurant and hiring an experienced manager. Being part of a vibrant, growing brand like Checkers has provided the motivation to bring the Checkers experience to as many people as possible in Las Vegas.

Question: What was the biggest surprise about launching the new Checkers locations?

Answer: I expected a certain portion of our customers to be familiar with the Checkers brand. However, I underestimated the passion that many of these loyal customers had developed for Checkers prior to moving to Las Vegas. It has energized all of us at Checkers even more to keep providing the best experience possible for all of our customers.

Question: When people from back East talk about their loyalty to Checkers, what specifically do they like about the brand?

Answer: They tell us that they love the food and that Checkers has the best burgers and fries.

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