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Expanded Italian Oven Says “Mangia” More

With The Progress Fund’s help, original Somerset restaurant ready to see bigger crowds.

Somerset, PA – November 14, 2005 - When a commercial banker turns to The Progress Fund’s help for the second time since January 2005, you know The Progress Fund must be a good deal -- and the project a growing success.

Lee Newell has worked for First National Bank of Pennsylvania for more than 30 years, most recently as a commercial lender. He found out about The Progress Fund when he saw potential customers turn to it for *their* projects.

The Italian Oven turned out to be a natural for Newell, who has helped turn the restaurant into his own family’s business. Lee’s sister-in-law Sheila Baker -- who has been in the restaurant business “her entire life,” Lee says -- had worked on the administrative side of the Italian Oven Corporation before it sold many of its franchises, and closed all its company-owned restaurants. In August 1998, Sheila and her husband Donald decided to buy the original Italian Oven restaurant in Somerset; they invited Sheila’s sister Tammy Newell and her husband Lee into the business with them. Business has been great. When the four co-owners decided to renovate and improve operations in 2004, they went to The Progress Fund for a \$65,000 loan.

The restaurant, about a mile outside Somerset Borough, is very close to Seven Springs Resort, famous for it’s skiing but also increasingly for summertime activities that draw a crowd. An expanded facility will help the Italian Oven attract the motor coach trade.

Italian Oven restaurants have long been known for their wood-fired brick ovens and traditional Italian fare, including more than 150 pasta combinations, as well as signature fried zucchini strips and garlic bread constructed like a pizza. The dough keeps rising for the business and expansion was ordered up again. The Progress Fund’s second loan of \$310,000

has financed an expansion project of about 2,000 square feet at the restaurant, allowing the facility to seat 75 more people, for a total of 225. The loan also assisted with the installation of a new bar in the restaurant's lounge area and the creation of a new private banquet room that seats 80. "This will allow us to handle buses as well as private parties," Lee says. "We would expect our revenue to grow \$200,000 over a 12-month period." The loan was also used for debt consolidation and the purchase of new equipment.

The expansion has already allowed the Italian Oven to hire three additional servers and two additional cooks. "Our plans are to continue to develop the private dining area," Lee says. Eventually, they hope to have a 200-seat banquet hall.

Thanks to "the attractive interest rates as well as the willingness and cooperation of the people at The Progress Fund to work on the deal," Lee says, "it was to our advantage to deal exclusively with The Progress Fund" for their current loan.

The business does "very well," says The Progress Fund's commercial loan officer, Jim Gonsman. "It's a well-established, well-performing company and a well-rounded family-type business, which is kind of unique." Indeed: Don Baker has maintained his outside plumbing work, but his expertise also allows him to be the restaurant's in-house maintenance expert.

"It's an amenity to the skiers coming through," Jim notes. However, "their busiest time is during the summer, because of the campers, hiking and biking."

"With Lee's job, financing is easier to obtain," says Jim "but he realizes what The Progress Fund is all about."

For more information on the Italian Oven, call (814) 444-9155 ext. 212. For further information on The Progress Fund, call (724) 529-0384, or visit www.progressfund.org.

The Progress Fund is a vigorous non-profit loan fund that creates jobs and improves communities by providing entrepreneurial coaching and capital to small businesses in the travel & tourism industry. The Progress Fund serves 39 counties in Pennsylvania, the entire state of West Virginia and Appalachian Ohio. The Progress Fund was founded in 1997, and has loaned more than \$11 million to 112 enterprises, creating or preserving more than 865 jobs. The Progress Fund is an Equal Opportunity Lender. Discrimination is prohibited by Federal Law. Complaints of discrimination may be filed with the Secretary of Agriculture, Washington, DC 20250.