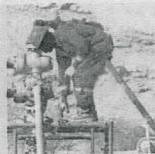


MARKETPLACE



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THE WALL STREET JOURNAL

Tuesday, January 26, 2010 **B1**

Small Businesses Develop Taste For Spotlight on Reality-TV Shows

By EMILY MALTEY

Small businesses have become popular fodder for reality television, where shop owners let viewers glimpse the daily dramas of their business operations in return for big publicity.

But for the few who land their own shows, the exposure often comes with headaches.

Duff Goldman, owner of Charm City Cakes LLC, the Baltimore custom cake shop featured on the Food Network's "Ace of Cakes," says his crew wasn't able to spend as much time making cakes once filming for the show started because the

employees were often being pulled aside for interviews.

So Mr. Goldman shifted the company's business model, scaling down the production and designating more energy to fewer, yet more creative requests ranging from a Hogwarts castle to a three-foot replica of an Old Bay Seasoning can.

With less revenue from the cakes, Charm City has compensated over time with licensing deals, books, speaking events and money from the show, which, Mr. Goldman says, doesn't add up to much once the whole staff is paid. He declined to provide figures. The Food Network said it wasn't able to provide comment on the show.

When "Ace of Cakes" launched in 2006, only a few reality shows focused on the quotidian challenges of running a business. Discovery Communications Inc. had already aired programs such as "American Chopper," about a custom-motorcycle workshop, and "Miami Ink," featuring a tattoo parlor, on its networks.

More than a dozen business shows have debuted since. Some follow just one business, à la "Ace of Cakes," while others, such as Bravo TV's "Tabatha's Salon Takeover," follow consultants who examine and suggest improvements to one establishment per episode.

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this case," the DOJ's Ms. Varney told a news conference Monday. But following the conditions imposed on the deal, there should now be three major ticketing players competing in the market, she said, and as a result, "We expect that we will see [ticket prices] coming down."

Some in the industry warned that the consumer isn't necessarily affected by the number of players in the market, because ticketing companies' clients are venues, not concert-goers.

Others remained skeptical. "The Department of Justice is asking consumers to take a pretty big leap of faith that this remedy will work," said David Balto, a former Federal Trade Commission official now a fellow at the Center for American Progress, a left-leaning think tank.

Live Nation Chief Executive Michael Rapino and Ticketmaster Chief Executive Irving Azoff have previously said they would

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Charm City Cakes' Duff Goldman says he's sometimes called a "sellout."

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SMALL BUSINESS

Small Businesses Develop Taste for Reality Shows

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"It's voyeurism," says Dr. Mina Tsay, a Boston University professor who has studied the psychological and cognitive draw of reality TV. "And people [on reality shows] have to possess a level of comfort to be public about their lives."

Particularly for family businesses, developing a thick skin can be difficult. "Sometimes the public family dynamic is irritating, but I deal with it," says Rick Harrison, owner of **Gold and Silver Pawn Shop** in Las Vegas, and star of the History Channel's "Pawn Stars."

Customers don't mind that their cake orders become fodder for the show—which in one episode had the crew scrambling to redo a cake after it crumbled at the last minute, says **Charm City Cakes' Mr. Goldman**.

On a recent episode, Mr. Harrison's son, Corey, paid too much for a pawned item, and was told to track down the customer in an embarrassing attempt to facilitate a return.

The spotlight can attract friends as well as enemies, owners say.

Customers who make guest appearances sometimes raise legal issues, either because they're displeased or "they know you are successful and they want some of that," says Paul Teutul, Sr., founder of **Orange County Choppers**, in Newburgh, N.Y., and star of "American Chopper," which now airs on TLC. Mr. Teutul says he has hired several lawyers to stave off lawsuits. He says he hasn't been sued.

For those businesses still undeterred by the downsides of public life, landing a TV show isn't easy. The first step is to grab the attention of a production company, which has access to networks.

Mr. Goldman got a foot in the door after appearing on a non-televized cake competition.

Behind the Scenes

While a reality show may seem fun and exciting, it's not for every business owner. Here are some challenges these TV stars had to overcome.



Say Yes to the Dress (TLC)

Kleinfeld Bridal, a wedding gown shop in New York City

When filming, owner Ronald Rothstein takes extra care to keep employees happy. "The network decides which bride and which employee will be on the show, so there are jealousies among staff and brides," he says. "It doesn't cause major problems, but we have to be conscious."

Ace of Cakes (Food Network)

Charm City Cakes, a custom bakery in Baltimore

The spotlight can attract friends as well as enemies. "Viewers can see the workspace is clean. And we're professional, to an extent," says owner Duff Goldman. "But the health department came in because someone placed a call reporting that we don't wear hair nets or gloves."



Pawn Stars (History Channel)

Gold and Silver Pawn Shop in Las Vegas

Owner Rick Harrison, who had 70 customers a day, now has 700. Rapid growth is hard to manage and has hidden costs. "I hit the ceiling last month when I had 408 hours of overtime in a two-week pay period," he says. "I'm expanding the store and I need a whole new sprinkler system."

American Chopper (TLC)

Orange County Choppers, a custom motorcycle workshop in Newburgh, N.Y.

Owner Paul Teutul, Sr., and his son, Paul Teutul, Jr., had a national audience when they fought over the younger Teutul's lax work ethic. "Some people say, 'These guys are dysfunctional,' but so many [others] identified with it," says Paul, Sr.



Photo credits (L-R): Vincent Lupo/Direction One; Kleinfeld Bridal/History Channel; Orange County Choppers/Storm Sasaki

"The competitors thought I was an idiot—we did whatever we wanted and said whatever we wanted because we had nothing to lose," he says. "But one of the judges told the Food Network to check us out."

From there, Mr. Goldman competed on televised competitions on the Food Network. Around the same time, Mr. Goldman's brother, a producer in L.A., saw TV potential for **Charm City** and used his Hollywood connections to pitch a production company.

After filming a pre-pilot, the production company circulated the tapes to various channels including TLC and HBO. For the Food Network, which is owned by **ScrIPps Networks Interac-**

five Inc., that was a natural fit with the competition shows.

Not all small businesses make good reality shows. **Screaming Flea Productions Inc.** says it filmed the daily operations of a Seattle nail salon in hopes of pitching a show about a woman-owned business to the Oxygen or WE networks. The crew filmed for three days before calling it quits.

"We had normal challenges but not enough dramatic tension to be good TV," says Jane Park, the salon's owner. "At the end of the day, it just wasn't exciting enough."

Charm City Cakes' Mr. Goldman says nothing on "Ace of Cakes" is scripted. When the producers asked whether the

company could make Christmas cakes in advance, he refused. The network saved Christmas footage for the following year.

Mr. Goldman says customers don't mind that their cake orders become fodder for the show—which in one episode had the crew scrambling to redo a project from scratch after the creation crumbled at the last minute.

Mr. Goldman says most of the people who place orders have seen the program, so they know what goes on. "Everything is transparent," he says.

The public attention also triggered franchise offers—all of which he dismissed—and opportunities to sponsor con-

sumer products. "At first I just gave a blank 'no' to everything; I didn't want to be spokesperson for irritable bowel syndrome," laughs Mr. Goldman. "Now, we're partnered with DecoFac, a commercial bakery supplier, because it's in line with what we do."

Amid the fan emails Mr. Goldman says he receives following a show, several will express disapproval—particularly for being a "sell-out"—and one may even be a death threat. "If anyone had laid out every obstacle before we were on TV and explain, 'here's the fine print,' I'd say no to the show," says Mr. Goldman. "But we learned to deal with it all."

Domino's In Japan Acquired By Bain

By ALISON TUDOR

TOKYO—Global private-equity firm **Bain Capital** said Monday it will buy the master franchisee of **Domino's Pizza Inc.** in Japan and expand the U.S. chain beyond its current focus of Tokyo and Osaka.

Boston-headquartered Bain will buy **Higa Industries Co.** from Japanese companies **Duskin Co.** and **Daiwa SMBC Capital** and **Ernest Higa**, the company's founder.

Bain didn't disclose the purchase price, but Duskin said in a release it has sold its 44% stake in Higa for 2.64 billion yen (about \$29 million), valuing the company at roughly six billion yen. Japan's **Bank of Tokyo Mitsubishi UFJ** provided financing.

The Japanese pizza-delivery segment has eked out an average 1.6% sales growth in recent years, even as the world's second-largest economy flirted with recession and restaurant chains battled deflation.

Domino's managed to raise its prices in Japan in 2008 to help offset a 46% hike in cheese costs the previous year.

The franchise has protected its pricing power partly because pizza delivery is seen as an indulgence in Japan, compared with the casual affair of dialing up a late-night snack in the U.S. Pizza-delivery makers combine unusual toppings and careful presentation to attract the discerning Japanese customer.

"When you buy a treat you are not trying to save every yen," said David Cross-Loh, a managing director at Bain in Tokyo during an interview.

Domino's is now No. 3 in sales behind **Pizza-La** and **Pizza Hut** in Japan.

In the fiscal year ended in March, Higa recorded sales of 17.2 billion yen, according to its Web site. Bain bought a majority stake in Domino's Pizza of the U.S. in 1998.