

FOR IMMEDIATE RELEASE

ROYAL HOSPITALITY ACQUIRES SHONEY'S

ATLANTA, Jan. 2, 2007 – Royal Hospitality Corp., a company affiliate of Atlanta-based Royal Capital Corp., announced today that it is acquiring Shoney's Restaurants from Shoney's LLC. Shoney's owns, operates and franchises 282 Shoney's Restaurants, 52 of which are franchisor-owned and 230 that are franchisee-owned. Terms of the acquisition were not disclosed.

Effective Jan. 1, 2007, Royal Hospitality's subsidiary, Shoney's North America Corp., acquired all of the trademarks and rights as Franchisor associated with the Shoney's brand. The company anticipates completing the acquisition of the 52 franchisor-operated Shoney's Restaurants by the end of January 2007. Shoney's corporate headquarters will remain in Nashville.

David Davoudpour, founder and CEO of Royal Capital Corp. and Royal Hospitality Corp., assumed the position of chairman and CEO of Shoney's North America Corp. effective Jan. 1. Davoudpour, who is an entrepreneur, restaurateur and real-estate developer, has created and/or operated a number of food-service concepts during the 28 years he has been in the food-service industry. His expertise and passion for food service has infused him with an enthusiasm for creating new and exciting concepts and revitalizing older brands.

In making the purchase announcement, Davoudpour said, "I'm very excited about being part of the Shoney's tradition. As a long-time operator of food-service brands, I appreciate the passion for the Shoney's brand that we've witnessed among our franchisees and our loyal customers. We all believe that Shoney's can be an even greater brand and can and will return to its glory days as an exciting food destination for millions of satisfied customers across the United States. This isn't just a financial transaction for me. This is a mission."

Dan Dahlen, Shoney's chief marketing officer, added, "This is a new day for Shoney's and we welcome Mr. Davoudpour and his team and are proud to be working with them. On behalf of all the dedicated, hard-working Shoney's employees and franchisees, we look forward to working together to continue to grow this great brand which is an American icon in food."

About Shoney's

In 1947, Alex Schoenbaum opened his first drive-in restaurant in Charleston, W.Va., and four years later acquired a Big Boy franchise. In 1959, Ray Danner acquired the Big Boy franchise rights for Middle Tennessee and opened his first unit in Madison, Tenn. Today, there are 282 Shoney's in 18 states. All Shoney's restaurants are open 364 days a year, excluding Christmas, and serve breakfast, lunch and dinner. Shoney's offers a variety of meals, including chicken, steaks, seafood, hamburgers and sandwiches, its popular All-You-Care-To-Eat Breakfast, Lunch, and Dinner Buffets and the All-You-Care-To-Eat Soup, Salad and Homestyle Vegetable Buffet. For more information, visit www.shoneys.com.

About Royal Hospitality

Based in Atlanta, Royal Hospitality Corp. is an operator and franchisor of food-service concepts. The company was founded in 2004 by David Davoudpour, who has a wide array of businesses which include real estate, development and food-service holdings. His food-service experience spans 28 years and includes the operation of multiple brands in the quick-service and casual dining categories throughout the United States. Davoudpour is currently the largest franchisee of Church's Chicken with 112 restaurants located in Arizona, California and Texas.

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