

Developer buys Krispy Kreme outlet

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PALMDALE - The city's former Krispy Kreme location that closed Oct. 9 has been sold to Westlake Village developer Rob Martin of RRM Partners Ltd.

Martin said he is seeking a new tenant for the building, which he purchased "because it's a phenomenal piece of real estate, located at the corner of 'Main and Main' " as far as Antelope Valley commercial land is concerned.

Negotiations are under way with several potential tenants who are not limited to new doughnut makers, he said.

Vincent Roche, senior vice president at the CB Richard Ellis Co.'s Bakersfield office, has been retained to find the new tenant, Martin said.

Although the building was designed for food uses, it could be transformed completely for another type of use, Martin noted.

"The site itself requires a quality operator, and the location will bring that," Martin said. "It will be a little while before we know who that tenant is going to be," he added.

Palmdale's Krispy Kreme opened in September 2001 at 540 West Rancho Vista Blvd. (Ave. P), generating lines of vehicles and attracting hundreds of customers. In its first three hours, the outlet sold more than 10,000 doughnuts.

Closure of the facility meant the loss of jobs for about 72 people who shared 21 shifts a week to cover the store's 24-hour, seven-day operation.

A representative of the outlet's corporate owner in the Los Angeles area, Great Circle Family Foods LLC, said the Palmdale Krispy Kreme was closed as part of an effort to consolidate resources and re-invest in the remaining outlets.

Great Circle had no plans to open any other Krispy Kremes in the Antelope Valley

in the near future, the representative said.

About a week before the closure, two of Great Circle's partners, Richard Reinis and Roger Glickman, filed a lawsuit against the North Carolina-based Krispy Kreme corporation.

According to a report in USA Today, the lawsuit alleged that Krispy Kreme misappropriated money paid by Great Circle for marketing and advertising.

The lawsuit also alleged that Krispy Kreme systematically inflated its prices and engaged in deceptive business practices.

In response, Krispy Kreme officials said they would "vigorously defend" the company against the lawsuit, which was one of several filed against the doughnut chain in recent months.

Some of those lawsuits were filed by company shareholders alleging that Krispy Kreme issued false and misleading statements about its financial condition, including false financial results.

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