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Carlyle Said to Sell Stake in Mrs. Fields Owner to Z Capital
By Beth Jinks
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Carlyle Group LP sold its stake in Famous Brands International, owner of the Mrs. Fields Cookies and TCBY Enterprises Inc. frozen-yogurt chains, to Z Capital Partners LLC, people with knowledge of the situation said.

Z Capital bought the rest of the company it didn't already own after paying an undisclosed sum for Carlyle's debt and equity last week, said the people, who asked not to be identified because the deal is private. Z Capital and Carlyle took joint ownership of Famous Brands in a 2011 out-of-court restructuring, converting most of about \$65 million in debt for equity. The company went through Chapter 11 bankruptcy in 2008.

Famous Brands, based in Broomfield, Colorado, had annual sales at franchises and company-owned stores of \$340 million, said one of the people. Mrs. Fields sells fresh-baked cookies and brownies from 239 mostly franchised locations in the U.S., as well as 118 international stores and an online delivery business. TCBY -- which stands for The Country's Best Yogurt -- has 357 stores in the U.S. selling frozen yogurt, and an additional 158 outside the U.S., the person said.

Representatives for Z Capital and Carlyle declined to comment.

Z Capital, a Chicago-based private-equity firm that makes controlling investments in turnaround companies, plans to expand both franchise brands globally, beginning with a recently inked deal for 250 Mrs. Fields locations in Saudi Arabia and the United Arab Emirates over 10 years, said the people.

Neal Courtney, who has been Famous Brands' interim chief executive officer since February, was promoted to CEO last month, said the people. Courtney replaced Tim Casey, who left to become president of Qdoba Restaurant Corp., the Mexican grill chain of Jack in the Box Inc.

Founder Debbi Fields opened the first Mrs. Fields cookie store in Palo Alto, California, in 1977, according to the company's website. She began franchising in 1990.

Carlyle shares rose 1.83 percent to \$25.63 on June 28.