

SECURITIES AND EXCHANGE COMMISSION

FORM SC 13D

Schedule filed to report acquisition of beneficial ownership of 5% or more of a class of equity securities

Filing Date: **1999-03-26**
SEC Accession No. **0000909518-99-000210**

([HTML Version](#) on [secdatabase.com](#))

SUBJECT COMPANY

QUALITY DINING INC

CIK: **917126** | IRS No.: **351804902** | State of Incorporation: **IN** | Fiscal Year End: **1030**
Type: **SC 13D** | Act: **34** | File No.: **005-43869** | Film No.: **99574803**
SIC: **5812** Eating places

Mailing Address
4220 EDISON LAKES PKWY
MISHAWAKA IN 46545

Business Address
4220 EDISON LAKES PKWY
MISHAWAKA IN 46545
2192714600

FILED BY

NBO LLC

CIK: **1075182** | State of Incorporation: **MI** | Fiscal Year End: **1231**
Type: **SC 13D**

Business Address
25800 NORTHWESTERN
HIGHWAY STE 750
SOUTHFIELD MI 48075
2482621000

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13D
Under the Securities Exchange Act of 1934

(Amendment No. _____)

QUALITY DINING, INC.
(Name of Issuer)

Common Stock, no par value
(Title of class of securities)

747456P 10 5
(CUSIP number)

David W. Schostak
NBO, LLC
25800 Northwestern Highway
Suite 750
Southfield, Michigan 48075 (248) 357-6126
(Name, address and telephone number of person authorized
to receive notices and communications)

March 22, 1999
(Date of event which requires filing of this statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of ss.ss. 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box [x].

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See ss. 240.13d-7 for other parties to whom copies are to be sent.

(Continued on following pages)

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CUSIP No. 747456P 10 5

13D

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2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP: (a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS: PF, OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEM 2(d) OR 2(e):

6 CITIZENSHIP OR PLACE OF ORGANIZATION: United States

NUMBER OF 7 SOLE VOTING POWER: 0
SHARES

BENEFICIALLY 8 SHARED VOTING POWER: 1,200,000
OWNED BY

EACH 9 SOLE DISPOSITIVE POWER: 0
REPORTING

PERSON WITH 10 SHARED DISPOSITIVE POWER: 1,200,000

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY REPORTING
PERSON: 1,200,000

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES:

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): 9.5%

14 TYPE OF REPORTING PERSON: IN

1 NAME OF REPORTING PERSON David W. Schostak
S.S. OR I.R.S. IDENTIFICATION NO.
OF ABOVE PERSON

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP: (a)

3 SEC USE ONLY

4 SOURCE OF FUNDS: PF, OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e): []

6 CITIZENSHIP OR PLACE OF ORGANIZATION: United States

NUMBER OF SHARES 7 SOLE VOTING POWER: 0

BENEFICIALLY OWNED BY EACH 8 SHARED VOTING POWER: 1,200,000

REPORTING PERSON WITH 9 SOLE DISPOSITIVE POWER: 0

10 SHARED DISPOSITIVE POWER: 1,200,000

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY REPORTING PERSON: 1,200,000

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES: []

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): 9.5%

14 TYPE OF REPORTING PERSON: IN

CUSIP No. 747456 P 10 5

13D

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1 NAME OF REPORTING PERSON Robert I. Schostak
S.S. OR I.R.S. IDENTIFICATION NO.
OF ABOVE PERSON

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP: (a) [x]
(b) []

3 SEC USE ONLY

4 SOURCE OF FUNDS: PF, OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2 (d) OR 2 (e):

6 CITIZENSHIP OR PLACE OF ORGANIZATION: United States

NUMBER OF SHARES 7 SOLE VOTING POWER: 0

BENEFICIALLY OWNED BY 8 SHARED VOTING POWER: 1,200,000

EACH REPORTING 9 SOLE DISPOSITIVE POWER: 0

PERSON WITH 10 SHARED DISPOSITIVE POWER: 1,200,000

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY REPORTING PERSON: 1,200,000

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES:

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): 9.5%

14 TYPE OF REPORTING PERSON: IN

CUSIP No. 747456 P 10 5

13D

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1 NAME OF REPORTING PERSON Mark S. Schostak
S.S. OR I.R.S. IDENTIFICATION NO.
OF ABOVE PERSON

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP: (a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS: PF, OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2 (d) OR 2 (e):

NUMBER OF SHARES	7	SOLE VOTING POWER:	0
BENEFICIALLY OWNED BY	8	SHARED VOTING POWER:	1,200,000
EACH REPORTING	9	SOLE DISPOSITIVE POWER:	0
PERSON WITH	10	SHARED DISPOSITIVE POWER:	1,200,000
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY REPORTING PERSON:		1,200,000
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES:		<input type="checkbox"/>
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):		9.5%
14	TYPE OF REPORTING PERSON:		IN

ITEM 1. SECURITY AND ISSUER.

This Statement on Schedule 13D (the "Statement") relates to the common stock, no par value (the "Shares"), of Quality Dining, Inc., an Indiana corporation (the "Company"). The principal executive offices of the Company are located at 4220 Edison Lakes Parkway, Mishawaka, Indiana 46545.

ITEM 2. IDENTITY AND BACKGROUND.

This Statement is being filed by and on behalf of NBO, LLC ("NBO"), Jerome L. Schostak, David W. Schostak, Robert I. Schostak and Mark S. Schostak (collectively, the "Schostaks" and together with NBO, the "Reporting Persons"). NBO is a Michigan limited liability company, the members of which are the Schostaks. The principal business of NBO is investing in securities of the Company. The present principal occupation of each of the Schostaks is (i) acting as principals of Schostak Brothers & Company, Inc., a full service real estate company, and (ii) acting as principals of King Venture, Inc., an entity which operates restaurants in the state of Michigan. During the last five years, none of the Reporting Persons has (a) been convicted in a criminal proceeding or (b) been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

The business address of each of the Reporting Persons is 25800 Northwestern Highway, Suite 750, Southfield, Michigan 48075.

The Schostaks are all citizens of the United States.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

NBO purchased an aggregate of 1,200,000 Shares for total consideration (including brokerage commissions) of \$4,516,740.90 derived from the working capital of NBO. The last purchase of Shares by NBO was made on December 18, 1998.

ITEM 4. PURPOSE OF THE TRANSACTION

The Reporting Persons acquired their Shares because they believe such Shares are undervalued and, consequently, represent a favorable investment opportunity. The market prices of the Shares have declined since such acquisition, with the Company reporting a loss for the fourth quarter of fiscal 1998 and earnings of only \$.01 per share for the first quarter of fiscal 1999. On March 22, 1999, David W. Schostak and Mark S. Schostak met with Daniel Fitzpatrick, the Chairman, President and Chief Executive Officer of the Company, and John Firth, the Executive Vice President, General Counsel and Secretary of the Company, to discuss, in general, the Company's businesses and operations. Based upon such meeting and their analysis of the Company's financial performance, the Reporting Persons are concerned whether the Company is taking all steps possible to enhance shareholder value.

As a result of the foregoing developments, the Reporting Persons intend to review their investment in the Company on a continuing basis and, depending on various factors, including the Company's business, affairs and financial position, other developments concerning the Company, the price level of

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the Shares, conditions in the securities markets and general economic and industry conditions, as well as other investment opportunities available to them, may in the future take such actions with respect to their investment in the Company as they deem appropriate in light of the circumstances existing from time to time. Such actions may include, without limitation, the purchase of additional Shares in the open market, in privately negotiated transactions or otherwise, or the sale at any time of all or a portion of the Shares now owned or hereafter acquired by them to one or more purchasers.

In addition, although the Reporting Persons currently have no specific plans or proposals with respect thereto, the Reporting Persons may also

explore with management of the Company the possibility of, seek to influence management of the Company with respect to, or directly propose or initiate, a merger or other business combination between the Company and another entity, a sale of the Company or all or substantially all of its capital stock or assets or another extraordinary corporate transaction. The Reporting Persons reserve the right to participate, alone or with others, in any such proposals or transactions with respect to the Company, its securities or assets. However, it should not be assumed that the Reporting Persons will take any of the foregoing actions.

Except as set forth above, as of the date of this Statement none of the Reporting Persons has any plans or proposals, which relate to or would result in any of the actions set forth in parts (a) through (j) of Item 4.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER

(a) As of the date of this Statement, NBO beneficially owned in the aggregate 1,200,000 Shares constituting 9.5% of the outstanding Shares (the percentage of Shares owned being based upon 12,599,444 Shares outstanding on January 18, 1999, as set forth in the Company's Annual Report on Form 10-K for the fiscal year ended October 25, 1998).

Each of the Schostaks, as a member of NBO, may be deemed to beneficially own Shares which NBO beneficially owns. Each of the Schostaks disclaims beneficial ownership of such Shares for all other purposes.

(b) The responses to Items 7-11 on each of pages 2-6 hereof which relate to voting and disposition of Shares with respect to each Reporting Person are incorporated herein by reference.

(c) The Reporting Persons have not engaged in any transactions in the Shares during the past sixty days.

(d) No other person is known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the Shares.

(e) Not applicable.

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER.

To the best of the knowledge of the Reporting Persons, there are no contracts, arrangements, understandings or relationships (legal or otherwise) among the Reporting Persons or between the Reporting Persons and any other person with respect to any securities of the Company, including but not limited to transfer or voting of any of the securities, finder's fees, joint ventures, loan

or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS

The following Exhibit is filed herewith:

- 1. Joint Filing Agreement.

[The remainder of this page intentionally left blank.]

SIGNATURES

After reasonable inquiry and to the best of their knowledge and belief, the undersigned certify that the information contained in this Statement is true, complete and correct.

Dated: March 24, 1999

NBO, LLC

By: /s/ David W. Schostak

David W. Schostak, Member

/s/ Jerome L. Schostak

Jerome L. Schostak

/s/ David W. Schostak

David W. Schostak

/s/ Robert I. Schostak

Robert I. Schostak

/s/ Mark S. Schostak

Mark S. Schostak

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EXHIBIT INDEX

EXHIBIT NO. -----	DESCRIPTION -----
1.	Joint Filing Agreement.

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JOINT FILING AGREEMENT

In accordance with Rule 13d-1(k) under the Securities Exchange Act of 1934, as amended, the persons named below agree to the joint filing on behalf of them of a statement on Schedule 13D (including amendments thereto) with respect to the common stock, no par value, of Quality Dining, Inc.; and further agree that this Joint Filing Agreement be included as an Exhibit to such joint filing. In evidence thereof, the undersigned hereby execute this Agreement this 24th day of March, 1999.

NBO, LLC

By: /s/ David W. Schostak

David W. Schostak, Member

/s/ Jerome L. Schostak

Jerome L. Schostak

/s/ David W. Schostak

David W. Schostak

/s/ Robert I. Schostak

Robert I. Schostak

/s/ Mark S. Schostak

Mark S. Schostak