

**Small Business Development Center
Saint Vincent College**

Helping businesses start, grow, and prosper.

**“Thank you many times over
for all your help and support.”
- Drue Spallholz**

Client Name
The East Wood Inn
Route 30
Ligonier, PA
Westmoreland County

Industry: Full-Service Restaurant
NAICS 722511

Year Founded: 1934

SBDC Assistance: Business Plan
Development, Financial Analysis/Cost
Control, AccessTo Capital

Additional Partners: Progress Fund

Saint Vincent College SBDC
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**SAINT VINCENT
COLLEGE**

A “Speak Easy” No More

The Eastwood Inn has been in continuous operation in Ligonier, Pennsylvania for 80+ years but local lore hints of it beeing open longer than that. Prohibition was repealed in 1933, yet somehow, The Eastwood Inn already had a large and loyal clientele when it officially opened in 1934. Evidence and rumors of gambling, bootlegging and even prostitution have been associated with the Inn’s illustrious history. The buzzer at the front door is a not-so-subtle reminder of the inn’s colorful past. For the last 80 years the Eastwood Inn has been an understated but exceptional place serving the area’s finest steaks and lobster tails. It had always been owned by the Greshok family with siblings Mary, Sophie, and Joe “Smokey” Greshok each having a turn as owner. Upon Smokey’s passing in 2010, ownership passed to his daughter Alexis. She sold the inn to Drue Spallholz and his wife Erica Nuckles making them only the second family to own the Inn.

Drue and Erica had moved into the Ligonier area in October of 2014. Erica had just been appointed to her dream job as Director of History and Collections at Fort Ligonier. By chance the couple had stopped at the Eastwood Inn for drinks and fell in love with the place. The couple recognized the inn’s great union of history and food and had been working to buy the place ever since.

Mr. Spallholz had a background in the food service industry. While earning his degree in Applied Mathematics from Union College in Schenectady he had worked part-time in the food service industry and after graduating he had taken several culinary classes and had served as the manager of the Cheeses and Specialty Foods Department for Honest Weight Food Corp. in Albany, New York. In addition, to become familiar with the Eastwood Inn’s operation Drue began working in the restaurant doing odd jobs such as prep cook, busboy, and dishwasher.

Drue Spallholz first approached the Saint Vincent College Small Business Development Center in December 2014. He was referred to the SBDC by a local lender for assistance developing a business plan to support his funding request to purchase the Eastwood Inn.

During the initial meeting, Drue and the SBDC consultant discussed business valuation, current operations and legal entities. The SBDC Consultant also explained reasons for multiple entities for ownership of a restaurant with a liquor license, and reviewed the client’s background in food service. Moreover, the client had brought the past three years of profit and loss statements for the business leading to discussion on re-casting income, knowing and controlling costs.

Over the next few months Drue and the SBDC staff worked together to develop a formal business plan augmented by industry and demographic research provided by the SBDC. The business plan contained detailed financial projections as well as a historical income statement based on the seller’s operation. Contact information for area insurance agents and the Bureau of Food Services was provided to the client and it was suggested that he contact the Ligonier zoning officer.

Unfortunately, the loan request was turned down by the lender. At this time the SBDC staff member referred Mr. Spallholz to a lender that would have interest in funding his project. The Progress Fund is a certified Community Development Financial Institution whose primary mission is to serve the tourism and hospitality industries of the Northern Appalachia Region. The Progress Fund approved a loan to Drue and Erica of \$310,000 that together with an equity contribution by the principals was sufficient to purchase The Eastwood Inn. Drue and Erica are currently awaiting the liquor license transfer approval from the Pennsylvania Liquor Control Board