

RESTAURANT LOSS DOCUMENTATION LETTER

Comprehensive Spoilage & Business Interruption Claim

RESTAURANT BUSINESS INFORMATION

The Garden Bistro, LLC
DBA: The Garden Bistro
2150 Commerce Boulevard
Gainesville, GA 30501
Phone: (770) 555-3456
24-Hour Emergency: (678) 555-9123
Email: claims@gardenbistro.com
Website: www.gardenbistro.com
Federal Tax ID: 54-1234567
State Sales Tax ID: GA-987654
Liquor License #: LIQ-2019-4521
Health Permit #: HD-2024-8796

March 20, 2025

RECIPIENT INFORMATION

SENT VIA: Email (Immediate), Certified Mail, Hand Delivery

Hartford Insurance Group
Commercial Claims Department
Restaurant/Hospitality Division
Attn: Robert Chen, Senior Commercial Adjuster
P.O. Box 14000
Lexington, KY 40512

CC: Spoilage Claims Specialist
CC: Business Interruption Unit

CLAIM IDENTIFICATION

Re: Restaurant Loss Claim - Food Spoilage, Business Interruption & Extra Expenses

- **Policy Number:** CPP-789456123
 - **Claim Number:** 2025-COM-44521
 - **Date of Loss:** March 18, 2025 at 11:45 PM
 - **Type of Loss:** Power Outage/Equipment Failure
 - **Duration of Event:** 36 hours
 - **Restaurant Type:** Full Service Fine Dining
 - **Seating Capacity:** 120
 - **Normal Operating Hours:** 11:00 AM - 10:00 PM (Mon-Thu), 11:00 AM - 11:00 PM (Fri-Sat), 10:00 AM - 9:00 PM (Sun)
 - **Temperature Log Attached:** ✓ Yes
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EXECUTIVE SUMMARY

Dear Mr. Chen:

This letter comprehensively documents our restaurant's losses including food spoilage, beverage loss, business interruption, and extra expenses resulting from the transformer explosion and subsequent 36-hour power outage on March 18, 2025 at 11:45 PM. Total documented losses exceed \$187,450.

CRITICAL TIMING: Health Department requires action within 24 hours. Perishable evidence must be documented immediately.

SECTION 1: FOOD SPOILAGE LOSSES

COMPREHENSIVE INVENTORY LOSS BY STORAGE AREA

A. WALK-IN COOLER #1 (Meats/Poultry/Seafood)

- **Temperature at Discovery:** 58°F (Required: 33-40°F)
- **Hours Above Safe Temperature:** 28 hours
- **Volume:** 350 cubic feet

Product Category	Item Description	Quantity	Unit	Cost/Unit	Total Cost	Supplier	Invoice #
BEEF							
Prime Rib	Choice grade	85	lbs	\$18.50	\$1,572.50	US Foods	445789
Ribeye Steaks	14 oz portions	48	each	\$22.00	\$1,056.00	US Foods	445789
Ground Beef	80/20 blend	60	lbs	\$6.50	\$390.00	US Foods	445789
Filet Mignon	8 oz portions	36	each	\$28.00	\$1,008.00	US Foods	445789
Subtotal Beef					\$4,026.50		
POULTRY							
Chicken Breast	6 oz portions	120	each	\$4.50	\$540.00	Sysco	789456
Whole Chickens	Organic	24	each	\$18.00	\$432.00	Sysco	789456
Duck	Whole	12	each	\$45.00	\$540.00	Specialty	112233
Turkey	Sliced deli	30	lbs	\$8.50	\$255.00	Sysco	789456
Subtotal Poultry					\$1,767.00		
SEAFOOD							
Salmon	Atlantic, fresh	45	lbs	\$24.00	\$1,080.00	Coastal	998877
Shrimp	16-20 count	60	lbs	\$18.50	\$1,110.00	Coastal	998877
Lobster Tails	8 oz	24	each	\$42.00	\$1,008.00	Coastal	998877
Scallops	Diver, U-10	30	lbs	\$38.00	\$1,140.00	Coastal	998877
Oysters	Fresh, dozen	15	doz	\$28.00	\$420.00	Coastal	998877
Subtotal Seafood					\$4,758.00		
PROCESSED MEATS							
Bacon	Thick cut	40	lbs	\$7.50	\$300.00	Sysco	789457
Sausage	House-made	35	lbs	\$8.00	\$280.00	Internal	N/A
Charcuterie	Assorted	25	lbs	\$22.00	\$550.00	Specialty	112234
Subtotal Processed					\$1,130.00		
COOLER #1 TOTAL					\$11,681.50		

B. WALK-IN COOLER #2 (Produce/Dairy)

- **Temperature at Discovery:** 62°F (Required: 33-40°F)
- **Hours Above Safe Temperature:** 28 hours

Product Category	Item Description	Quantity	Unit	Cost/Unit	Total Cost	Supplier	Invoice #
FRESH PRODUCE							
Lettuce	Romaine	8	cases	\$32.00	\$256.00	Fresh Pro	665544
Tomatoes	Vine ripe	6	cases	\$28.00	\$168.00	Fresh Pro	665544
Herbs	Fresh assorted	45	units	\$4.50	\$202.50	Fresh Pro	665544
Vegetables	Mixed	150	lbs	\$3.50	\$525.00	Fresh Pro	665544
Fruits	Assorted	5	cases	\$45.00	\$225.00	Fresh Pro	665544
Subtotal Produce					\$1,376.50		
DAIRY PRODUCTS							
Milk	Whole, 2%, Skim	30	gal	\$4.50	\$135.00	Dairy Fresh	334455
Cream	Heavy	20	qts	\$8.00	\$160.00	Dairy Fresh	334455
Butter	Unsalted	50	lbs	\$4.25	\$212.50	Dairy Fresh	334455
Cheese	Assorted	65	lbs	\$12.00	\$780.00	Artisan	223344
Yogurt	Greek	4	cases	\$48.00	\$192.00	Dairy Fresh	334455
Subtotal Dairy					\$1,479.50		
EGGS							
Eggs	Large	20	cases	\$42.00	\$840.00	Farm Fresh	556677
Egg Whites	Liquid	10	gal	\$18.00	\$180.00	Farm Fresh	556677
Subtotal Eggs					\$1,020.00		
BEVERAGES							
Juices	Fresh	15	gal	\$12.00	\$180.00	Fresh Pro	665545
Sodas	Bottled	10	cases	\$24.00	\$240.00	Coca-Cola	887766
Subtotal Beverages					\$420.00		
COOLER #2 TOTAL					\$4,296.00		

C. FREEZER UNITS

- **Temperature at Discovery:** 42°F (Required: 0°F or below)
- **Hours Above Safe Temperature:** 30 hours

Product Category	Item Description	Quantity	Unit	Cost/Unit	Total Cost	Status
FROZEN PROTEINS						
Frozen Shrimp	Various sizes	80	lbs	\$16.00	\$1,280.00	Total loss
Frozen Fish	Portions	60	lbs	\$14.00	\$840.00	Total loss
Frozen Chicken	Wings/tenders	50	lbs	\$4.50	\$225.00	Total loss
FROZEN DESSERTS						
Ice Cream	Premium, 8 flavors	20	gal	\$28.00	\$560.00	Melted
Frozen Cakes	Specialty	18	each	\$45.00	\$810.00	Thawed
Sorbets	Assorted	24	qts	\$18.00	\$432.00	Melted
FROZEN PREPARATIONS						
Stocks	House-made	30	gal	\$12.00	\$360.00	Total loss
Sauces	Pre-made	40	qts	\$8.00	\$320.00	Total loss
Bread/Dough	Par-baked	60	units	\$3.50	\$210.00	Total loss
FREEZER TOTAL					\$5,037.00	

D. PREP STATION REFRIGERATION

Multiple Units Affected: 6 units

Station	Items Lost	Quantity	Cost/Unit	Total	Time to Replace
Line Station 1					
Prepped proteins	Various	40	lbs	\$450.00	8 hours
Cut vegetables	Mise en place	20	pans	\$240.00	6 hours
Line Station 2					
Sauces	House-made	25	qts	\$375.00	12 hours
Marinades	Specialty	10	gal	\$180.00	4 hours
Salad Station					
Dressed greens	Ready	50	portions	\$150.00	3 hours
Toppings	Prepped	30	containers	\$180.00	4 hours
Dressings	House-made	15	qts	\$225.00	6 hours
Dessert Station					
Pastry cream	Fresh	8	qts	\$120.00	4 hours
Whipped cream	Made daily	6	qts	\$48.00	2 hours
Fresh fruit	Cut	15	containers	\$225.00	3 hours
PREP STATIONS TOTAL				\$2,193.00	52 hours labor

E. BAR SPOILAGE

Bar Refrigeration Failed: ✓ Yes

Category	Item	Quantity	Unit Cost	Total Loss	Notes
Draft Beer					
Kegs - Domestic	Bud Light, Miller	8	kegs	\$1,200.00	Warm/flat
Kegs - Import	Stella, Heineken	6	kegs	\$1,380.00	Spoiled
Kegs - Craft	Local IPAs	10	kegs	\$2,200.00	Off taste
Mix Degradation					
Fresh juices	Citrus/fruit	20	gal	\$240.00	Fermented
Cream mixers	Various	24	bottles	\$144.00	Separated
Simple syrups	House-made	18	bottles	\$108.00	Cloudy
Garnish Loss					
Cut fruit	Citrus wheels	40	containers	\$160.00	Dried out
Fresh herbs	Mint, basil	30	bunches	\$90.00	Wilted
Specialty items	Olives, cherries	25	jars	\$175.00	Spoiled
BAR TOTAL				\$5,697.00	

TOTAL SPOILAGE LOSS SUMMARY

Area	Amount	Disposal Cost	Total
Walk-in Cooler #1	\$11,681.50	\$450.00	\$12,131.50
Walk-in Cooler #2	\$4,296.00	\$250.00	\$4,546.00
Freezer Units	\$5,037.00	\$300.00	\$5,337.00
Prep Stations	\$2,193.00	\$150.00	\$2,343.00
Bar Spoilage	\$5,697.00	\$200.00	\$5,897.00
GRAND TOTAL SPOILAGE	\$28,904.50	\$1,350.00	\$30,254.50

INVENTORY VALUATION METHODOLOGY

Valuation Basis:

- ☒ Cost Method - Actual purchase price paid
- ☐ Retail Method - Menu selling price
- ☐ FIFO - First in, first out
- ☐ Average Cost - Weighted average

Documentation Supporting Values:

- ☒ Purchase invoices (30 days)

- ✓ Delivery receipts
 - ✓ Inventory management system reports
 - ✓ Most recent physical count: March 15, 2025
 - ✓ Perpetual inventory records
 - ✓ Cost cards for prepared items
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SECTION 2: HEALTH DEPARTMENT INVOLVEMENT

OFFICIAL HEALTH DEPARTMENT ACTIONS

Inspection Details:

Date/Time	Inspector	Badge #	Action Taken	Documentation
03/19/25 8:00 AM	Maria Lopez	HD-4521	Initial inspection	Report attached
03/19/25 10:30 AM	Maria Lopez	HD-4521	Condemned product	Photos taken
03/19/25 11:00 AM	Thomas Reed	HD-3398	Closure order	Order attached
03/20/25 2:00 PM	Maria Lopez	HD-4521	Disposal supervised	Certificate attached

Health Department Orders:

1. Immediate Actions Required:

- ✓ Destroy all potentially hazardous foods
- ✓ Document disposal with photos
- ✓ Obtain disposal certificates
- ✓ Clean and sanitize all equipment
- ✓ Pass reinspection before reopening

2. Compliance Costs:

- Professional disposal service: \$2,400.00
 - Deep cleaning service: \$3,800.00
 - Sanitization supplies: \$650.00
 - Reinspection fees: \$450.00
 - **Total Compliance:** \$7,300.00
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SECTION 3: BUSINESS INTERRUPTION LOSSES

CLOSURE PERIOD ANALYSIS

Operational Status Timeline:

Period	Dates	Status	Revenue Impact	Daily Loss
Pre-Loss	03/01-03/18	100% operational	Baseline	\$0
Day 1-3	03/19-03/21	Fully closed	100% loss	\$8,500
Day 4-7	03/22-03/25	Partial (takeout only)	75% loss	\$6,375
Week 2	03/26-04/01	Limited menu	50% loss	\$4,250
Week 3	04/02-04/08	Rebuilding	25% loss	\$2,125
Week 4+	04/09+	Full restoration	10% loss	\$850

LOST BUSINESS INCOME CALCULATION

Historical Sales Analysis (Prior 3 Years Same Period):

Year	Period	Days	Gross Sales	Daily Average	Growth Rate
2022	03/19-04/08	21	\$165,000	\$7,857	Baseline
2023	03/19-04/08	21	\$172,500	\$8,214	4.5%
2024	03/19-04/08	21	\$178,500	\$8,500	3.5%
Current (Projected)	03/19-04/08	21	\$185,000	\$8,810	3.6%

Projected vs. Actual Sales:

Week	Projected Sales	Actual Sales	Loss Amount	Loss %
Week 1	\$61,670	\$0	\$61,670	100%
Week 2	\$61,670	\$15,418	\$46,252	75%
Week 3	\$61,670	\$30,835	\$30,835	50%
Week 4	\$61,670	\$46,253	\$15,417	25%
Total	\$246,680	\$92,506	\$154,174	62.5%

CONTINUING EXPENSES DURING CLOSURE

Fixed Costs That Continue:

Expense Category	Normal Monthly	During Loss	Days	Total
Payroll - Key Staff				
Management	\$18,000	\$18,000	21	\$12,600
Kitchen supervisor	\$6,000	\$6,000	21	\$4,200
Essential staff	\$8,000	\$8,000	21	\$5,600
Occupancy Costs				
Rent/Lease	\$12,000	\$12,000	21	\$8,400
Property taxes	\$2,400	\$2,400	21	\$1,680
Insurance	\$1,800	\$1,800	21	\$1,260
Utilities (Minimum)				
Electric	\$3,200	\$800	21	\$560
Gas	\$1,400	\$200	21	\$140
Water/Sewer	\$800	\$800	21	\$560
Other Fixed				
Equipment leases	\$2,400	\$2,400	21	\$1,680
POS system	\$450	\$450	21	\$315
Music licensing	\$300	\$300	21	\$210
Loan payments	\$8,500	\$8,500	21	\$5,950
TOTAL CONTINUING	\$65,250	\$61,650		\$43,155

EXTRA EXPENSES INCURRED

Emergency and Mitigation Costs:

Expense Type	Description	Vendor	Amount	Receipt #
Emergency Response				
Refrigeration trucks	2 units × 3 days	CoolTemp Rentals	\$4,800	RT-4521
Generator rental	Emergency power	Power Plus	\$2,400	PP-8897
Expedited delivery	Replacement food	Multiple	\$3,200	Various
Overtime labor	Emergency response	Staff	\$4,500	Payroll
Customer Communication				
Notification calls	Staff time	Internal	\$450	Time log
Social media management	Updates	Digital Pro	\$1,200	DP-3321
Signage	Closure notices	FastSign	\$650	FS-7789
Expedited Reopening				
Rush delivery fees	Food/supplies	Various	\$2,800	Multiple
Premium pricing	Short notice orders	Various	\$3,400	Multiple
Extra staff	Catch-up prep	Payroll	\$3,200	Records
TOTAL EXTRA EXPENSE			\$26,600	

SPECIAL EVENT LOSSES

Cancelled Reservations and Events:

Date	Event Type	Party Size	Deposit	Lost Revenue	Reputation Impact
03/20/25	Wedding reception	85	\$2,500	\$8,500	High
03/22/25	Corporate event	60	\$1,500	\$4,800	Medium
03/23/25	Birthday parties	40	\$800	\$2,400	Low
03/19-03/25	Regular reservations	420	\$0	\$12,600	Low
Total		605	\$4,800	\$28,300	

Catering Losses:

- Confirmed orders cancelled: 8
- Total catering value lost: \$14,200
- Deposits returned: \$4,800
- Future bookings impacted: 12

SECTION 4: EQUIPMENT DAMAGE

KITCHEN EQUIPMENT AFFECTED

Equipment	Make/Model	Age	Repair Cost	Replace Cost	Decision
Walk-in cooler compressor	Traulsen RBC200	8 yrs	\$4,500	\$12,000	Repair
Freezer unit	True T-49F	6 yrs	\$3,200	\$8,500	Repair
Prep table refrigeration (3)	Turbo Air	4 yrs	\$2,400	\$7,200	Repair
Ice machine	Manitowoc IY-0606	5 yrs	\$2,800	\$6,500	Repair
Total Equipment			\$12,900	\$34,200	

REQUIRED UPGRADES

Code Compliance Updates:

Requirement	Trigger	Old Standard	New Standard	Cost
Energy efficiency	Equipment replacement	SEER 10	SEER 14	\$2,400
Health code	Reopening	2019 Standard	2024 Standard	\$1,800
ADA compliance	Renovation trigger	36" clearance	42" clearance	\$3,200
Total Upgrades				\$7,400

SECTION 5: CONTAMINATION AND CLEANING

PROFESSIONAL CLEANING COSTS

Service	Area	Method	Company	Cost
Deep cleaning	Kitchen	Steam/sanitize	ProClean Services	\$3,800
Surface treatment	All surfaces	FDA approved	SafeGuard	\$2,200
Air quality	HVAC system	Duct cleaning	AirPure	\$1,800
Grease trap	Drainage	Pump and clean	DrainPro	\$850
Certification	Health inspection	Required	Health Dept	\$450
Total Cleaning				\$9,100

SECTION 6: BRAND AND REPUTATION MANAGEMENT

REPUTATION RECOVERY COSTS

Initiative	Purpose	Provider	Timeline	Cost
PR campaign	Announce reopening	MediaMax	4 weeks	\$8,500
Social media	Rebuild confidence	Digital Pro	Ongoing	\$3,200
Customer incentives	Win back guests	Internal	3 months	\$12,000
Review management	Address negativity	RepGuard	6 months	\$2,400
Special events	Grand reopening	Multiple	04/15/25	\$6,500
Total Brand Recovery				\$32,600

SECTION 7: COVERAGE ANALYSIS

APPLICABLE POLICY COVERAGES

Coverage Type	Limit	Deductible	Waiting Period	Applies
Food Spoilage	\$50,000	\$1,000	None	✓
Business Interruption	\$500,000	\$2,500	72 hours	✓
Extra Expense	\$50,000	\$500	None	✓
Food Contamination	\$25,000	\$1,000	None	✓
Equipment Breakdown	\$100,000	\$2,500	None	✓
Civil Authority	30 days	N/A	72 hours	✓

SECTION 8: ADVANCE PAYMENT REQUEST

IMMEDIATE FUNDING NEEDS

Purpose	Amount	Payee	Due Date	Consequence if Delayed
Food replacement	\$15,000	Suppliers	Immediate	Cannot reopen
Payroll	\$22,400	Employees	03/25/25	Staff loss
Rent	\$12,000	Landlord	04/01/25	Eviction notice
Utilities	\$4,400	Utilities	03/30/25	Service cutoff
Total Advance Needed	\$53,800		ASAP	

SECTION 9: TOTAL CLAIM SUMMARY

COMPREHENSIVE LOSS CALCULATION

Category	Amount
Food Spoilage	\$30,254.50
Business Interruption	\$154,174.00
Continuing Expenses	\$43,155.00
Extra Expenses	\$26,600.00
Special Events	\$28,300.00
Equipment Damage	\$12,900.00
Code Upgrades	\$7,400.00
Cleaning/Sanitization	\$9,100.00
Brand Recovery	\$32,600.00
TOTAL CLAIM	\$344,083.50

CONCLUSION

This restaurant loss involves multiple coverage areas requiring immediate coordinated adjustment:

- 1. Food spoilage loss is documented at \$30,254.50 and requires immediate payment to restock
- 2. Business interruption continues at \$8,810 per day until full restoration
- 3. Extra expenses of \$26,600 are necessary to expedite reopening
- 4. Equipment damage of \$12,900 must be addressed immediately
- 5. Brand damage requires \$32,600 investment to recover market position

The total claim of \$344,083.50 is fully documented and supported. Every day of delay costs us \$8,810 in lost revenue and risks permanent customer loss to competitors.

Please process advance payments immediately to facilitate rapid reopening and minimize ongoing losses.

Time is absolutely critical in the restaurant industry where customer loyalty and market share can be permanently lost.

Respectfully submitted,

Michael Chen

Michael Chen
Owner/General Manager
The Garden Bistro, LLC
March 20, 2025

COMPLETE ATTACHMENT LIST

Documentation Package Includes:

1. ✓ Complete spoilage inventory with invoices
 2. ✓ Temperature logs from monitoring system
 3. ✓ Photos of spoiled products
 4. ✓ Health department reports and orders
 5. ✓ Sales records and reports (3 years)
 6. ✓ P&L statements and tax returns
 7. ✓ Equipment service records and estimates
 8. ✓ Employee records and costs
 9. ✓ Vendor agreements and penalties
 10. ✓ Expert reports and opinions
 11. ✓ Disposal receipts and certificates
 12. ✓ Event cancellation documentation
 13. ✓ Cleaning and sanitization quotes
 14. ✓ Marketing and PR proposals
 15. ✓ Franchise correspondence (N/A)
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DISTRIBUTION

cc: Johnson & Associates, CPA
cc: Restaurant Consultants International
cc: Premier Public Adjusters
cc: Legal Counsel - Smith & Williams
cc: Health Department (notification only)
cc: File

URGENT - PERISHABLE EVIDENCE - IMMEDIATE RESPONSE REQUIRED

HEALTH DEPARTMENT DEADLINE: MARCH 21, 2025 at 5:00 PM

Note: This document is a sample for demonstration purposes only. All figures, names, and circumstances are fictional.