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## Sam Zell Buys More Rewards Network

By RUTH MANTELL

**Insider Tables:** Buyers | Sellers

**FAMED REAL-ESTATE** investor Sam Zell has dramatically increased his family's ownership of a small dining and hotel rewards company.

Since last week, Zell's family trusts have bought 1.8 million shares of Rewards Network, according to filings with the Securities and Exchange Commission.

The purchases bumped up the trusts' position in Rewards Network by 43% to 6 million shares, according to an SEC filing. The company has almost 26 million outstanding shares and a market cap of \$140 million.

Trading at 5.37, shares of Rewards Network has decreased 46% during the past year as the company has struggled to generate profit growth. During that same time period, the Standard & Poor's 500 index has returned 4%.

But Zell, chairman of Rewards Network, has a history of buying the company's stock before it appreciates, says Michael Painchaud, managing director of research for Market Profile Theorems. Zell bought shares two years ago before they doubled, Painchaud notes.

"Sam is a great value investor," Painchaud says. "In general people within the real-estate business are."

Zell did not respond to requests for comment.

Last week, the Rewards Network reported a loss for the first quarter of 14 cents per share. The company provides rewards programs for restaurants and hotels to attract customers.

David Coleman, editor of the Vickers Weekly Insider, says it's a good sign that Zell bought Rewards Network stock while it was trading at relatively low levels.

"Mr. Zell is clearly buying aggressively on weakness, which is a good investment indicator," Coleman says.

Last week, Rewards Network's general counsel and the wife of the company's chief executive bought a total of 17,000 shares, according to SEC filings.

"This shows unanimity of sentiment among management," Coleman says. "It does look interesting because [Zell] is all of a sudden buying a lot of stock when it's down and joined by other insiders, which gives added weight to his trading activity."