

## Airbnb

Couch surfing,  
monetized  
p.36

## THE MEATBALL SHOP

**"They Don't Care.  
They Want  
to Eat, and They  
Want Meatballs."**

First restaurant  
founded:  
**2010**

Total  
restaurants:  
**5**

Valuation:  
**About \$20 million**

## Lesson:

**There's a large  
market for drunk,  
late-night eating.**

MEATBALLS ARE inherently inexpensive, and since we opened during the recession, the fact that we were value-driven was great. Meatballs are part of New York, but when we asked where you could get the best meatball hero, no place came to mind. We thought we could have the best meatball hero.

For the first restaurant, we called in every favor, borrowed tools, and built it ourselves—we raised \$410,000 and spent \$350,000. But while the first time you build a restaurant, your uncle does it for free because he loves you and he's excited, the second time you wouldn't ask. The Meatball Shop on the Upper East Side cost \$1.3 million. [My partner Michael Chernow] makes fun of me to this day

Chernow and  
Holzman (right).

because when we opened on Stanton Street I wouldn't let us turn the heat above 55 degrees. We were doing construction in overcoats.

Our first rent was \$7,000. Our rent on the Upper East Side is \$18,000. And the store next door just went for \$36,000! Which isn't even necessarily a bad deal.

During the day at Stanton Street, we can seat 51 people. Late night, after the bar, people come in and get a hero and eat outside—we can start to do 60 or 70 covers an hour. We are extending our seating capacity so much so that we find ourselves sending busboys around the neighborhood to clean up—there are Meatball Shop bags littering Stanton Street.

—CO-FOUNDER DANIEL HOLZMAN



## Lending Club

The nonbank  
(for banks)  
p.58

## Brands of the Post-Crash Economy

Exit Bear Stearns.  
Enter Grumpy Cat.

**Tough  
Mudder**  
Survivor for  
the masses  
p.42

**Plus  
One  
Discontented  
Feline**

(and her brand  
manager)  
p.50  
And More