

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **December 22, 2016**

RAVE Restaurant Group, Inc.
(Exact name of registrant as specified in its charter)

Missouri
(State or other jurisdiction of incorporation)

0-12919
(Commission File Number)

45-3189287
(IRS Employer Identification No.)

3551 Plano Parkway, The Colony, Texas
(Address of principal executive offices)

75056
(Zip Code)

Registrant's telephone number, including area code: **(469) 384-5000**

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant

On December 22, 2016, Rave Restaurant Group, Inc. (the "Company") obtained a \$1.0 million loan from its largest shareholder, Newcastle Partners, LP ("Newcastle"), evidenced by a Promissory Note. The loan bears interest at 10% per annum and is due and payable on April 30, 2017. Newcastle is an affiliate of the Company's Chairman, Mark E. Schwarz, and its Interim President and Chief Executive Officer, Clinton J. Coleman.

The foregoing description of the loan is qualified in its entirety by reference to the Promissory Note filed as Exhibit 4.1 hereto and incorporated herein by this reference.

Item 8.01 Other Events

On December 22, 2016, the board of directors of the Company approved a proposed rights offering to its existing shareholders and, in connection therewith, declared a dividend of subscription rights ("Rights") to holders of record of its common stock as of December 21, 2016, to purchase 4% Convertible Senior Notes due 2022, par \$100 ("Notes"). Shareholders will be issued 0.2817% of a Right per share of the common stock held on the record date (i.e., one Right for each 355 shares); provided, however, that the number of Rights will be rounded to the nearest whole number and no fractional Rights will be issued. Each whole Right will entitle the holder to purchase one Note at the par value of \$100 each. The Notes will be convertible into shares of common stock at a conversion price of \$2.00 per share (i.e., 50 shares of common stock per Note). The subscription rights become exercisable upon the date that a registration statement covering the Notes and shares of common stock into which they are convertible is declared effective, or such later date as may be determined by the Chairman or the President of the Company.

The proposed rights offering will be subject to exercise of Rights for a minimum of \$1,000,000 and a maximum of \$3,000,000 in principal amount of the Notes. The net proceeds of the proposed rights offering are intended to be used to repay the loan from Newcastle, to fund continued restaurant development activity and to provide working capital for general corporate purposes.

On December 22, 2016, the Company filed a registration statement on Form S-3 with respect to the proposed rights offering of the Notes. The terms and conditions of the rights offering, the description of the Notes and important additional information are more fully set forth in the registration statement, as the same may be amended or supplemented from time to time.

On December 22, 2016, the Company issued a press release announcing the loan from Newcastle and the proposed rights offering, a copy of which is attached as Exhibit 99.1 hereto.

Item 9.01**Financial Statements and Exhibits**

(d) Exhibits.

4.1 Promissory Note dated December 22, 2016, payable by Rave Restaurant Group, Inc. to Newcastle Partners, LP.

99.1 Rave Restaurant Group, Inc. press release dated December 22, 2016.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

RAVE RESTAURANT GROUP, INC.

Date: December 22, 2016

By: /s/ CLINTON J. COLEMAN

Clinton J. Coleman,

Interim President and Chief Executive Officer

PROMISSORY NOTE

\$1,000,000.00

Dallas, Texas

December 22, 2016

FOR VALUE RECEIVED, **RAVE RESTAURANT GROUP, INC.** ("Maker") promises to pay to the order of **NEWCASTLE PARTNERS, L.P.** ("Noteholder") the principal sum of **One Million and No/100 Dollars (\$1,000,000.00)**, together with interest on the principal balance as set forth below. All sums hereunder are payable at such place in Dallas County, Texas, as the Noteholder hereof may designate in writing.

Interest on the principal balance hereof from time to time remaining unpaid prior to maturity shall accrue at a rate of **ten percent (10%)** per annum

This Note shall be due and payable on **April 30, 2017**.

All past due principal and interest on this Note shall bear interest at the maximum rate provided under applicable law until paid. All sums called for, payable, or to be paid hereunder shall be paid in lawful money of the United States of America, which, at the time of payment, is legal tender for the payment of public and private debts.

The principal of this Note may be prepaid, in whole or in part, without penalty, provided that payment of all accrued interest shall be made at the time of any prepayment of principal permitted hereunder.

If this Note is not paid at its maturity, regardless of how such maturity may be brought about, then Noteholder may exercise any of its rights provided hereunder or any of its remedies at law or in equity. Failure to exercise any of such rights upon any default shall not constitute a waiver of the right to exercise any of them at any time. If, after default, this Note is placed in the hands of an attorney for collection, or if collected through judicial proceedings, Maker shall pay, in addition to the sums referred to above, a reasonable sum as a collection or attorneys' fee, and all other costs incurred by Holder in collection of the unpaid amounts due hereunder.

This Note shall be governed by and construed in accordance with Texas law and the laws of the United States applicable to transactions in Texas. It being the intention of the parties hereto to conform strictly to the applicable usury laws, all agreements between Maker and Noteholder, whether now existing or hereafter arising and whether written or oral, are hereby expressly limited so that in no event, whether by reason of acceleration of the maturity hereof or otherwise, shall the amount paid or agreed to be paid to the Noteholder for the use, forbearance or detention of money hereunder or otherwise exceed the maximum amount permissible under applicable law. If fulfillment of any provision hereof or of any mortgage, loan agreement or other document now or hereafter evidencing, securing or pertaining to the indebtedness evidenced hereby, at the time performance of such provision shall be due, would involve transcending the limit of validity prescribed by law, then *ipso facto*, the obligation to be fulfilled shall be reduced automatically to the limit of such validity. If Noteholder shall ever receive anything of value deemed interest under applicable law which would exceed interest at the highest lawful rate, an amount equal to any amount which would have been excessive interest shall be applied to the reduction of the principal amount owing hereunder and not to the payment of interest, or if such amount which would have been excessive interest exceeds the unpaid balance of principal hereof, such excess shall be refunded to Maker. All sums paid or agreed to be paid to Noteholder for the use, forbearance or detention of the indebtedness of Maker to the Noteholder shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full stated term of such indebtedness so that the amount of interest on account of such indebtedness does not exceed the maximum permitted by applicable law. The provisions of this paragraph shall control all existing and future agreements between Maker and Noteholder.

Maker and all sureties, endorsers, guarantors, and any other party now or hereafter liable for the payment of this Note in whole or in part, hereby severally (i) waive demand, presentment for payment, notice of nonpayment, protest, notice of protest, and all other notice, filing of suit and diligence in collecting this Note, (ii) agree to the release of any party primarily or secondarily liable hereon, (iii) agree that Noteholder shall not be required first to institute suit or exhaust its remedies hereon against Maker or others liable or to become liable hereon or to enforce its right against them, and (iv) consent to any extension or postponement of time of payment of this Note and to any other indulgence with respect hereto without notice thereof to any of them.

If any term or provision of this Note or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Note, or the application of such term or provision to person or circumstances, other than those as to which it is held invalid or unenforceable, shall, at the election of Noteholder, not be affected thereby, and each such other term and provision of this Note shall be valid and be enforced to the fullest extent permitted by law.

THIS NOTE SHALL BE DUE AND PAYABLE IN DALLAS COUNTY, TEXAS. MAKER CONSENTS TO JURISDICTION AND VENUE FOR ANY SUIT ON OR BY REASON OF THIS NOTE IN THE STATE COURTS LOCATED IN DALLAS COUNTY, TEXAS.

IN WITNESS WHEREOF, Maker has duly executed this Note as of the date and year first above written.

MAKER:

RAVE RESTAURANT GROUP, INC.

By: /s/ TIMOTHY E. MULLANY
Timothy E. Mullany,
Chief Financial Officer



December 22, 2016

RAVE Restaurant Group, Inc. Announces Planned Rights Offering

\$3 million of new funding targeted

Dallas, Texas – RAVE Restaurant Group, Inc. (NASDAQ:RAVE) today announced that its board of directors has approved a capital raise by way of a registered rights offering. In the proposed \$3 million offering, existing shareholders will be provided the opportunity to purchase newly issued convertible notes in amounts proportional to their current ownership in the Company. The offering is projected to be completed in February 2017, and the Company has filed a registration statement for the offering with the Securities and Exchange Commission.

In anticipation of the rights offering, the Company has received \$1 million of short-term funding from its largest shareholder, Newcastle Partners L.P., through a promissory note that is expected to be repaid with proceeds from the rights offering. Newcastle also has informed the Company that it intends to participate in the rights offering.

The board approved the issuance of convertible notes that would mature on February 15, 2022, unless earlier repurchased or converted in accordance with their terms, and bear interest at a rate of 4% per year, payable annually in arrears. Each \$100 note would be convertible into 50 shares of Rave common stock, which equates to a conversion price of \$2.00 per share, subject to adjustments in certain events.

The planned rights offering will be made through the distribution of non-transferable subscription rights to the Company's shareholders as of the record date of December 21, 2016. Under the basic subscription right, each shareholder may purchase one \$100 convertible note for every 355 common shares that they own (rounded to the nearest whole note). For example, a shareholder that owns 5,000 shares would receive rights to purchase 14 convertible notes for an aggregate of \$1,400. The proposed rights offering will also include an over-subscription right, which will entitle shareholders who exercise all of their basic subscription rights to purchase additional convertible notes to the extent not purchased by other rights holders. The terms of the rights offering and convertible notes are described in the preliminary prospectus contained in the Form S-3 registration statement that has been filed with the Securities and Exchange Commission. The Company intends to commence the rights offering upon effectiveness of the registration statement. The registration statement may also be accessed at the Company's investor relations website at raverg.investorroom.com.

The purpose of the planned rights offering is to raise capital in a cost-effective manner that provides the Company's existing shareholders with the opportunity to participate on a pro rata basis. The Company intends to use the net proceeds of the rights offering, after repaying the short-term promissory note, for general working capital purposes and continued restaurant development activity.

This press release does not constitute an offer to sell or the solicitation of an offer to buy the convertible notes, nor shall there be any sale of these securities in any state in which such offering, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any state or jurisdiction. The rights offering will be made only by means of a prospectus, copies of which will be mailed to eligible record date stockholders. Investors should consider the Company's objectives and risks carefully before investing.



Note Regarding Forward Looking Statements

Certain statements in this press release, other than historical information, may be considered forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, and are intended to be covered by the safe harbors created thereby. These forward-looking statements are based on current expectations that involve numerous risks, uncertainties and assumptions. Assumptions relating to these forward-looking statements involve judgments with respect to, among other things, future economic, competitive and market conditions, regulatory framework and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of RAVE Restaurant Group, Inc. Although the assumptions underlying these forward-looking statements are believed to be reasonable, any of the assumptions could be inaccurate and, therefore, there can be no assurance that any forward-looking statements will prove to be accurate. In light of the significant uncertainties inherent in these forward-looking statements, the inclusion of such information should not be regarded as a representation that the objectives and plans of RAVE Restaurant Group, Inc. will be achieved.

About RAVE Restaurant Group, Inc.

Founded in 1958, Dallas-based RAVE Restaurant Group [NASDAQ: RAVE] owns, operates and franchises more than 300 Pie Five Pizza Co. and Pizza Inn restaurants domestically and internationally. Pie Five Pizza Co. is a leader in the rapidly growing fast-casual pizza space offering made-to-order pizzas ready in under five minutes. Pizza Inn is an international chain featuring freshly made pizzas, along with salads, pastas, and desserts. The Company's common stock is listed on the Nasdaq Capital Market under the symbol "RAVE". For more information, please visit www.raverg.com.

Contact:

Investor Relations
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