

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): **October 18, 2019**

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**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value	RAVE	Nasdaq Capital Market

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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On October 21, 2019, Rave Restaurant Group, Inc. (the “Company”) announced the appointment of Brandon L. Solano to become its Chief Executive Officer, effective immediately. Robert W. Bafundo will continue to serve as President of the Company.

From 2017 through May, 2019, Mr. Solano served as Chief Marketing & Digital Officer for Pei Wei Asian Diner, LLC, a fast-casual restaurant chain featuring Asian-inspired dishes. From 2015 through 2017, he served as Chief Marketing Officer for Papa Murphy’s Holdings, Inc., a franchisor and operator of the largest “take & bake” pizza chain in the United States. From 2014 to 2015, he was employed by The Wendy’s Company, a franchisor and operator of fast food restaurants, completing his tenure as Chief Marketing Officer. From 2008 to 2014, Mr. Solano was employed by Domino’s Pizza, Inc., a franchisor and operator of delivery and carryout pizza outlets, completing his tenure as Vice President of Development. Mr. Solano has no family relationship with any director or other executive officer of the Company. There are no transactions in which Mr. Solano has an interest requiring disclosure under Item 404(a) of Regulation S-K.

The Company has entered into an employment letter agreement with Mr. Solano (the “Agreement”) confirming his employment as Chief Executive Officer of the Company. The Agreement provides for at-will employment at a starting annual base salary of \$350,000. The Agreement also provides for annual incentive compensation of up to 150% of base annual salary split equally between annual cash bonus and restricted stock units granted under the Company’s 2015 Long Term Incentive Plan. Restricted stock units represent the right to receive shares of common stock upon satisfaction of vesting requirements and performance conditions over a period of three fiscal years. Mr. Solano will also be entitled to other typical benefits generally available to senior executives of the Company. The Agreement also contains a covenant not to compete which precludes Mr. Solano from engaging in any pizza restaurant business for a period of 12 months after the termination of his employment, as well as non-disclosure, non-solicitation and other common employment covenants.

The foregoing description of the Agreement is qualified in its entirety by reference to the employment letter agreement filed as an exhibit to this Current Report on Form 8-K and incorporated herein by this reference.

ITEM 8.01 Other Events

The Company has issued a press release announcing Mr. Solano’s appointment as its Chief Executive Officer, a copy of which is attached as an exhibit hereto.

ITEM 9.01 Financial Statements and Exhibits

(d) Exhibits

[10.1](#) Letter agreement dated October 18, 2019, between Rave Restaurant Group, Inc. and Brandon Solano.

[99.1](#) Rave Restaurant Group, Inc. press release dated October 21, 2019.

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: October 21, 2019

By: /s/ Robert W. Bafundo
Robert W. Bafundo, President



RAVE Restaurant Group

October 18, 2019

Brandon L. Solano
1206 Ashmoore Ct.
Southlake, TX 76092

Dear Brandon:

Rave Restaurant Group, Inc. ("Rave Restaurant Group") is pleased to make you the following offer of employment for the salaried, exempt position of Chief Executive Officer. This offer letter shall be the employment agreement (the "Agreement") governing the terms of your employment with the Rave Restaurant Group and its subsidiaries (collectively, the "Company") and shall become effective on the Starting Date indicated below and will continue indefinitely until terminated as described in the "Termination of Employment" and "Voluntary Resignation of Employment" paragraphs below.

Position: Chief Executive Officer

Duties: Such duties as the Board of Directors or Chairman of Rave Restaurant Group shall from time to time assign to you. At the Board's request, you shall serve Rave Restaurant Group and/or its subsidiaries and affiliates in other offices and capacities in addition to the foregoing. In the event that you serve in any one or more of such additional capacities, your compensation shall not be increased beyond that specified below.

Annual Salary: \$350,000 annual base salary, paid according to the Company's standard pay practices, subject to applicable withholdings and employee benefit contributions. The Company currently issues payroll checks bi-monthly.

Starting Date: October 21, 2019

Location: Your primary work location shall be the Company's headquarters, which are currently in the Dallas-Fort Worth area. Your job will also require frequent travel to other Company and Franchisee locations and other meeting sites.

Exclusivity:

During your employment with the Company, you agree (i) to devote substantially all of your business time, energy, skill and best efforts to the performance of your duties hereunder in a manner that will faithfully and diligently further the business and interests of the Company, and (ii) that you shall have no agreements with, or material obligations to, any other individual, partnership, corporation, or legal entity, specifically including any confidentiality, non-disclosure, non-solicitation, or non-competition agreements or obligations, that may or would conflict with your obligations under this Agreement.



RAVE Restaurant Group

Annual Incentive Compensation:

In addition to your Base Annual Salary, you shall be eligible to earn bonus compensation up to 150% of your Base Annual Salary split equally between an annual short-term bonus opportunity paid in cash and an annual long-term bonus opportunity paid in Restricted Stock Units ("RSU"), granted pursuant to the company's Long Term Incentive Plan (the "LTIP").

The Company's executive short-term cash bonus plan is based on the Company's financial performance and strategic goals relative to targets set by the Board of Directors. The amount of bonus earned each year is subject to the approval of the Board of Directors, which may use its discretion to interpret the Company's achievement of the bonus targets and take into consideration unusual, one-time, or forward-looking factors that affected the Company's historical results or may affect the Company's future prospects. The annual bonus targets generally shall be set such that you may earn bonus of up to 75% of your base annual salary upon achievement of certain financial and strategic objectives, as determined by the Compensation Committee of the Company. Bonuses are typically not paid until the Company's financial audit is complete, and executives must remain employed by the Company until the bonus payment date to receive a bonus.

Long Term Incentive Compensation:

As additional consideration for the duties and responsibilities to be performed, your annual long-term bonus opportunity will include participation in the Company's Long Term Incentive Plan, which currently consists of Restricted Stock Unit awards with 3-year performance and time vesting criteria, as determined by the Company's Compensation Committee each year. You shall receive a first-year Restricted Stock Unit award with a grant date value equivalent to 75% of your base annual salary. The terms and conditions associated with the RSUs are detailed in a separate Restricted Stock Unit Award Agreement. You shall be eligible for additional LTIP awards following each full fiscal year that you are employed by the Company, subject to approval of the Compensation Committee.

Termination of Employment:

It is understood and agreed that should you accept this offer of employment you will be an employee-at-will and thus the Company may terminate your employment at any time for Cause or without Cause.

Voluntary Resignation of Employment:

You may voluntarily and without Good Reason resign your employment with the Company by notifying the Company, in writing, of your resignation decision. Your resignation notice will become effective thirty (30) days following the receipt of the notice by the Company, provided however that the Company reserves the right, in its sole discretion, to accelerate your resignation date. If the Company accelerates your resignation date, the date to which the resignation is accelerated shall be the effective date of your resignation. On the effective date of your resignation, you shall be entitled to all accrued salary and benefits, but shall not be entitled to any other benefits, except as required by law.



RAVE Restaurant Group

Employee Benefits:

During the Initial Term and any Extended Term while you are employed by the Company, you will be entitled to receive the same benefits as the Company makes generally available from time to time to the Company's senior executives, as those benefits may be modified, reduced or eliminated from time to time. Vacation, medical and dental insurance, 401(k), and other rights and benefit plans will be available to you as set forth in the Company's standard benefit package and *Employee Handbook*. Such rights, programs and benefit plans may be revised from time to time at the Company's sole discretion. Your eligibility for medical and dental benefits is effective on the first day of the month following 30 days of continuous employment. The Company agrees to allow you four weeks of paid time off plus four "Extra Days" as described in the Company's *Employee Handbook*. With the exception of any contrary provision in this letter, or in any other document or agreement between you and the Company, the terms of your employment are at all times subject to the provisions of the Company's *Employee Handbook*, as said *Handbook* may be changed from time to time by the Company in its sole discretion.

Non-Disclosure of Confidential Information:

You acknowledge that in your employment with the Company, you will occupy a position of trust and confidence. You agree that during your employment with the Company and at any time thereafter, except as may be required to perform your job duties for the benefit of the Company or as required by applicable law, you shall not disclose to others or use, whether directly or indirectly, any Confidential Information regarding the Company. "Confidential Information" shall mean any non-public or proprietary information regarding the Company, its business, restaurant concepts, franchisees, and customers, in whatever form, tangible or intangible, that is not disclosed publicly by the Company, including (without limitation) any proprietary knowledge, trade secrets, recipes, designs, products, inventions, business practices, programs, processes, techniques, know-how, management programs, methodology, financial information, pricing and fee information, agreements and arrangements with affiliates, employee files, personnel records, internal corporate records, corporate and business contacts and relationships, corporate and business opportunities, telephone logs and messages, client, consultant and customer lists and any and all other materials and information pertaining to the Company or its business to which you have been exposed or have access to as a consequence of your employment with the Company. You acknowledge that such Confidential Information is specialized, unique in nature and of great value to the Company, and that such information gives the Company a competitive advantage. You agree to deliver or return to the Company, at the Company's request at any time or upon termination of your employment all Confidential Information (and all copies thereof) furnished by the Company or prepared by you during your employment with the Company.



RAVE Restaurant Group

Nothing in this Agreement prohibits you from reporting an event that you reasonably and in good faith believe is a violation of law to the relevant law enforcement agency (such as the Securities and Exchange Commission, Equal Employment Opportunity Commission, or Department of Labor), or from cooperating in an investigation conducted by such a government agency. You are hereby provided notice that under the federal Defend Trade Secrets Act (DTSA): (1) no individual will be held criminally or civilly liable under federal or state trade secret law for the disclosure of a trade secret (as defined in the Economic Espionage Act) that: (A) is made in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney; and made solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal so that it is not made public; and, (2) an individual who pursues a lawsuit for retaliation by an employer for reporting a suspected violation of the law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, provided the individual files under seal any document containing the trade secret, and does not disclose the trade secret, except as permitted by court order.

Ownership of Rights:

You acknowledge and confirm that the Company shall own, in perpetuity, throughout the universe, all right, title and interest in and to the results and proceeds of your services to the Company and all material produced and/or furnished by you, of any kind and nature whatsoever, it being understood and agreed that the Company hereby acquires the maximum rights permitted to be obtained by the Company in all proprietary rights and information. Any such materials and/or ideas submitted to the Company hereunder automatically shall become the property of Company, and you hereby transfer and agree to transfer and assign to Company all of said rights and materials (including, without limitation, all copyrights and similar protections, renewals and extensions of copyright, and any and all causes of action that may have accrued in your favor for infringement of copyright), it being understood that you, for purposes of your employment with the Company, are acting entirely as Company's executive for hire. You agree that you will, at Company's request, execute and deliver to Company or procure the execution and delivery to Company of such documents or other instruments which Company may from time to time deem reasonably necessary or desirable to evidence, maintain and protect its rights hereunder and to carry out the intent and purposes of this Agreement and to convey to Company all rights in and to the material supplied to Company by you in this Agreement.

Non-Competition:

As consideration for the employment terms and LTIP award provided by the Company, you agree that at any time during your employment and for a period of twelve (12) months after the end of your employment with the Company, regardless of the payment of any severance or other consideration to you following the cessation of your employment with the Company, you shall not, within the United States or any foreign country where the Company has franchisees or other operations, either alone or jointly, with or on behalf of others, directly or indirectly, whether as principal, partner, agent, shareholder, director, employee, consultant or otherwise, provide consultative services or otherwise provide services to, own, manage, operate, join, develop, control, participate in, or be connected with, any business, individual, partner, firm, corporation, or other entity that is engaged in a Competing Concept that is not owned by the Company; provided, however, that the "beneficial ownership" by Executive, either individually or as a member of a "group," as such terms are used in Rule 13d of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), of not more than five percent (5%) of the voting stock of any publicly traded corporation shall not alone constitute a violation of this Agreement. A "Competing Concept" means any restaurant business or restaurant concept that derives more than 30% of its gross sales from the sale of pizza or pizza-like (i.e. flatbreads, etc.) food offerings.



RAVE Restaurant Group

Non-Solicitation:

As consideration for the employment terms and LTIP award provided by the Company, you agree that you shall not, either alone or jointly, with or on behalf of others, directly or indirectly, whether as principal, partner, agent, shareholder, director, employee, consultant or otherwise, at any time during your employment and for a period of eighteen (18) months after the end of your employment with the Company, regardless of the payment of any severance or other consideration to you following the cessation of your employment with the Company, (a) directly or indirectly hire or solicit the employment or engagement of, or otherwise aid in the inducement or enticement away from the employment or engagement of the Company or any affiliated entity, either for your own benefit or for any other person or entity, any employee or consultant who was employed or engaged by the Company or any such affiliated entity during the term of your employment, whether or not such employee or consultant would commit any breach of his/her contract of employment or consulting arrangement by reason of his/her leaving the service of the Company or any affiliated entity; or (b) directly or indirectly solicit, induce or entice any client, franchisee, supplier, customer, contractor, licensor, agent, partner or other business relationship of the Company (including any such types of parties of which the Company is or was actively pursuing a business relationship that had not yet been consummated as of your termination date) to terminate, discontinue, renegotiate or otherwise cease or modify its or their relationship with the Company or any affiliated entity.

Acknowledgement:

You expressly acknowledge and agree that the restrictions contained in this Agreement (exclusivity, non-disclosure, non-competition and non-solicitation) are reasonably tailored to protect the Company's Confidential Information and its business and are reasonable in all circumstances in scope, duration and all other respects. It is expressly agreed by the parties that if for any reason whatsoever, any one or more of the restrictions in this Agreement shall (either taken by itself or themselves together) be adjudged to go beyond what is reasonable in all circumstances for the protection of the legitimate interests of the Company, the parties agree that the prohibitions shall be in effect and upheld to the fullest extent permissible under applicable laws.

Acceptance:

This offer is effective immediately and may be accepted by your signing and dating a copy of this document and returning it to me on or before close of business on October 18, 2019. If accepted and executed, this offer shall be deemed to be a binding definitive agreement in full force and effect. If not so accepted by that time, this offer will be deemed withdrawn and will be no further in force or effect. Any representations that may have been made to you concerning the terms or conditions of employment, whether orally or in writing, are cancelled and superseded by this letter. Any modifications to the terms of your employment must be confirmed to you in writing to be valid and enforceable and your election to continue in the Company's employ after such confirmation will be deemed to be your agreement to such modifications. You will also be asked to bring to your first day of work personal identification documents in order to complete your employment eligibility paperwork as required by Federal law. Furthermore, in the Company's discretion, the effectiveness of this offer may be conditioned on your consent to and the Company's receipt of a background check of you to be performed by an agent of the Company, the results of which are reasonably satisfactory to the Company.



RAVE Restaurant Group

Governing Law:

Your principal work location will be in Texas with travel as required to perform the duties of your job. This Agreement will be governed by and construed in accordance with the laws of the State of Texas applicable to contracts made and performed in such State without giving effect to the choice of law principles of such State that would require or permit the application of the laws of another jurisdiction.

Successors:

This Agreement is personal to you and shall not be assignable by you. This Agreement shall inure to the benefit of and be binding upon the Company and its affiliated companies, successors and assigns.

Severability:

If a provision of this Agreement shall be held illegal or invalid, the illegality or invalidity shall not affect the remaining parts of this Agreement and this Agreement shall be construed and enforced as if the illegal or invalid provision had never comprised a part of this Agreement.

Construction:

No term or provision of this Agreement shall be construed so as to require the commission of any act contrary to law, and wherever there is any conflict between any provision of this Agreement and any present or future statute, law, ordinance, or regulation contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the affected provision of this agreement shall be curtailed and limited only to the extent necessary to bring the provision within the requirements of the law.



RAVE Restaurant Group

We appreciate your interest in this opportunity at the Company and we look forward to a mutually rewarding relationship.

Agreed and Accepted:

Employer: Rave Restaurant Group, Inc.

By: _____
Mark E. Schwarz, Chairman

Employee: _____
Brandon L. Solano

Date: _____



October 21, 2019

RAVE Restaurant Group, Inc. Names Brandon Solano CEO

DALLAS, Texas (Oct. 21, 2019) – RAVE Restaurant Group, Inc. (NASDAQ: RAVE) today announced that its Board of Directors has named Brandon L. Solano as Chief Executive Officer, effective immediately. Mr. Solano succeeds Scott Crane, whose tenure with the Company ended in July 2019.

Mr. Solano most recently served as Chief Marketing & Digital Officer of fast-casual concept Pei Wei Asian Kitchen, where he recorded the best positive traffic the brand had seen in seven years behind the launch of “Wei Better Orange Chicken,” cauliflower rice and a clean-label initiative dubbed “The Wei Forward.” In the process, he creatively poked fun at Panda Express, garnering substantial positive publicity and social media chatter at the expense of the brand’s much-larger rival.

Solano began his restaurant career with Domino’s Pizza in 2008, where he led the 2010 “New & Inspired” pizza launch as Vice President of Innovation. Solano later served as Vice President of Development for Domino’s, where he designed the “Pizza Theatre” concept and created the “Fortress Seattle” model market strategy, where he led operations. Prior to his Pei Wei tenure, Mr. Solano drove positive traffic for the first time in 10 years as Chief Marketing Officer of Wendy’s.

“Brandon has been a difference maker for multiple brands in the restaurant space,” said Mark Schwarz, Chairman of RAVE Restaurant Group, Inc. “He has a history of driving profitable traffic and leading brands to cultural relevance. He has communicated provocatively, even telling consumers Domino’s pizza wasn’t great and could be better. He once famously dug through the trash at Panda Express to expose their ingredient statements on Twitter. Importantly, he has brought his franchisees along with him to shared success. Brandon has depth and breadth of experience, including leading both pizza and fast-casual brands across many functions from operations and technology to marketing and development. We are thrilled to have Brandon lead our Company.”

“I’m stoked to lead both Pizza Inn and Pie Five for RAVE,” said Solano. “These brands have tremendous upside and I intend to partner with our employees and franchisees to realize every ounce of it. We will be disruptive in the space and make consumers rethink their pizza choices while supporting our communities, franchisees and employees. In short, I’m here to win!” Solano holds a Bachelor of Science degree from Grand Valley State University and an MBA from the University of Notre Dame. Brandon and his partner, Kristin, live on a sustainable urban farm in Southlake, Texas, with goats, chickens, honeybees, 20 varieties of vegetables and four semi-tame teenagers.

**About RAVE Restaurant Group, Inc.**

Founded in 1958, Dallas-based RAVE Restaurant Group, Inc. [NASDAQ: RAVE] owns, operates, franchises and/or licenses 261 Pie Five Pizza Co. and Pizza Inn restaurants and Pizza Inn Express kiosks domestically and internationally. Pizza Inn is an international chain featuring freshly made pizzas, along with salads, pastas and desserts. 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 Express, or PIE, is developing unique opportunities to provide freshly made pizza from non-traditional outlets. The Company's common stock is listed on the Nasdaq Capital Market under the symbol "RAVE." For more information, please visit www.raverg.com.

Contacts:

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Champion Management
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