

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): November 9, 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.**

(b) On November 15, 2019, Rave Restaurant Group, Inc. (the “Company”) terminated the employment of its President, Robert W. Bafundo.

(c) On November 9, 2019, the Company appointed Michael F. Burns, Jr., age 42, as its Chief Operating Officer. Previously, Mr. Burns had since 2017 served as Vice President of Operations for Pei Wei Asian Diner, LLC, a fast-casual restaurant chain featuring Asian-inspired dishes. From 2005 to 2017, he was employed by Bojangles’ Restaurants, Inc., a fast food restaurant chain featuring Southern recipes, where he began as a Unit Director (2005-2007), before being successively promoted to Area Director (2007-2009), Director of Operations Support (2009-2013), and Regional Vice President (2013-2017). Mr. Burns has no family relationship with any director or other executive officer of the Company. There are no transactions in which Mr. Burns has an interest requiring disclosure under Item 404(a) of Regulation S-K.

The Company has entered into an employment letter agreement with Mr. Burns (the “Agreement”) confirming his employment as Chief Operating Officer of the Company. The Agreement provides for at-will employment at a starting annual base salary of \$225,000. The Agreement also provides for a discretionary annual cash bonus targeted at 50% of base salary and participation in the Company’s 2015 Long Term Incentive Plan through the grant of restricted stock units targeted at 15% of base salary. 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. Burns will also be entitled to other typical benefits generally available to senior executives of the Company. The Agreement also contains 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 strategic leadership changes and new talent acquisition, a copy of which is attached as an exhibit hereto.

**ITEM 9.01 Financial Statements and Exhibits**

(d) Exhibits

[10.1](#) Letter agreement signed November 9, 2019, between Rave Restaurant Group, Inc. and Mike Burns.

[99.1](#) Rave Restaurant Group, Inc. press release dated November 15, 2019.

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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: November 15, 2019

By: /s/ Brandon Solano  
Brandon Solano, Chief Executive Officer  
(principal executive officer)

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November 4, 2019

Mr. Mike Burns  
7027 N 79<sup>th</sup> Place  
Scottsdale, AZ 85258

Dear Mike:

Rave Restaurant Group, Inc. ("Rave Restaurant Group") is pleased to make you the following offer of employment for the salaried, exempt position of Chief Operations Officer, Rave. 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 Start Date indicated below.

**Position:** Chief Operations Officer, Rave Restaurant Group

**Reporting to:** Brandon Solano, CEO, Rave Restaurant Group

**Start Date:** November 25th, 2019

**Annual Salary:**

Your annual base pay ("Base Annual Salary") in this exempt position will be \$225,000.00, to be paid bi-weekly during your employment with the Company and subject to all applicable withholdings. You will be paid the gross amount of \$8,653.85 on every other Friday, in accordance with the Company's standard payroll practice.

**Bonus:**

In addition to your Base Annual Salary, you will be eligible to participate in the Company's Bonus Plan, which is typically based on the Company's financial performance and strategic goals relative to targets set by the Board of Directors. The amount of bonus earned 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 in to consideration unusual, one-time, or forward-looking factors that affected the Company's historical results or may affect the Company's future prospects. Your annual bonus target shall be 50% of your base salary upon achievement of certain financial and strategic bonus targets and upon the discretion of the Chief Executive Officer and Compensation Committee of the Company.

**Long Term Incentive Compensation:**

As additional consideration for your duties and responsibilities to be performed, you will be eligible to participate in the company's Long Term Incentive Plan (the "LTIP") and receive 15% of your base salary in LTIP, which currently consists of Restricted Stock Units (RSU) awards with 3-year performance and time vesting criteria. The terms and conditions associated with the RSUs will be provided in a separate Restricted Stock Unit Award Agreement each year, and the performance criteria for each award shall be subject to the approval of the compensation committee.

**Relocation Assistance:**

The company will provide you with relocation assistance. Please reference separate documents: Relocation Expenses Policy and the Moving and Relocation Expense Agreement

**Employee Benefits:**

You will be eligible to participate in RAVE Restaurant Group Inc. employee benefit plans, subject to any waiting or qualification periods imposed by the Company or its benefit providers. Detailed information regarding employee benefits will be provided on your first day of employment. Such rights, programs and benefit plans may be revised from time to time at the Company's sole discretion. You will be eligible to earn 40 hours of "Extra! Time" in your first year of employment per company schedule. You will additionally be eligible to receive four weeks (160 hours) of vacation in your first year. Should you leave prior to your one year employment anniversary, this special granted vacation will not be paid out. Please note that vacation time must be used before Extra! Time. All planned time-off must be requested in advance and is subject to manager approval based on specific department requirements and deadlines.

**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.

**"At Will" Employee:**

It is anticipated that you will be a long-term employee of the Company. However, your employment with the Company is for no specified period and constitutes "at-will" employment, which means that you have the right to resign from your employment at any time, with or without notice, and the Company has the right to modify your employment, subject to the compensation provisions outlined above, or terminate your employment at any time, with or without cause, and with or without notice. No representative of the Company has the authority to enter into any agreement with you guaranteeing employment for any specified period of time or modifying the at-will relationship, unless it is done so in writing and signed by you and the Chairman of the Company and approved by the Board of Directors.

**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 of her 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.

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**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.

**Covenant Not to Compete:**

By accepting this offer, you agree that for a period of twelve (12) months immediately following termination of your employment with RAVE Restaurant Group for any reason, (i) you will not on behalf of yourself or any other business entity call upon, contact or solicit any client or customer of RAVE Restaurant Group with whom you had contact within six (6) months preceding your last day of employment with RAVE Restaurant Group; and (ii) you will not call upon, solicit, recruit, or assist others in calling upon, recruiting or soliciting any person who is or was an employee of RAVE Restaurant Group within the six (6) months immediately preceding your last day of employment with RAVE Restaurant Group, in an attempt to have such person work in any other corporation, association, or entity or business engaged in the business of the same kind as offered by RAVE Restaurant Group.

**Non-Solicitation:**

As consideration for the employment terms 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; (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) (collectively, the Company's "Counterparties") to terminate, discontinue, renegotiate or otherwise cease or modify its or their relationship with the Company or any affiliated entity; or (c) make disparaging comments to the Company's Counterparties or in public forums, unless required by law, which is intended, or would reasonably be expected, to harm the Company or its reputation with such Counterparties.

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**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.

**Governing Law:**

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.

**Acceptance:**

This offer letter sets forth the terms of your employment with the Company and supersedes any and all prior representations and agreements, whether written or oral. This offer of employment is conditional upon your passing the pre-employment background screening, and remains valid until close of business on November 8, 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.

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**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.

Please mail, or scan/email the signed offer letter to:

RAVE Restaurant Group  
Attention: Ursula Averett  
3551 Plano Parkway  
The Colony, TX 75056  
Email: uaverett@raverg.com

**Counterparts:** This Agreement may be executed in one or more original or facsimile counterparts, all of which shall be considered but one and the same agreement, and shall become effective when one or more such counterparts have been executed by each of the parties and delivered to the other parties.

Should you have any questions about this letter, please feel free to contact me directly. We look forward to having you join our team, as well as the contribution you will make to the organization.

Sincerely,

**Brandon Solano**

Brandon Solano  
CEO, RAVE Restaurant Group

**AGREED TO AND ACCEPTED BY:**

/s/ Mike Burns  
Name Signed

Mike Burns  
Name Printed

November 9, 2019  
Date

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**PRESS RELEASE**

Contact: Jami Zimmerman, Champion Management  
972.953.5432; [zimmerman@championmgt.com](mailto:zimmerman@championmgt.com)

**RAVE Restaurant Group, Inc. Announces  
Strategic Leadership Additions**

*Pie Five and Pizza Inn welcome new operations and marketing leaders*

DALLAS (November 15, 2019) RAVE Restaurant Group, Inc. (NASDAQ: RAVE) today announced strategic leadership changes and new talent acquisition. The new additions reflect a shift from brand level leadership to a more unified management structure for all RAVE brands.

Key changes include the additions of Mike Burns as Chief Operations Officer and Douglas Kwong as Vice President of Marketing for RAVE. Burns will lead operations for both Pizza Inn and Pie Five Pizza and Operations Services for all brands. He brings over 10 years experience in company and franchise operations including eight years at Bojangles' Famous Chicken n Biscuits as the Director of Operations Support supporting company and franchise operations and as Regional Vice President overseeing over 175 restaurants. Most recently, Burns directed operations at over 80 Pei Wei Asian Kitchen restaurants.

Kwong will direct marketing for all RAVE brands. He is an industry veteran with proven success in creating digital marketing programs that elevate guest experiences and drive profitable sales. He was most recently Director of eCommerce and Digital Marketing at Pei Wei Asian Kitchen, where he managed eCommerce, media, and the loyalty program. Kwong led the team at Pei Wei that took overall digital sales from 8% of company revenue to 30% by implementing new technology and launching delivery partnerships.

"I'm extremely excited to add such incredible talent to our team," said Brandon Solano, CEO of Rave Restaurant Group. "Mike is a true operator and understands the importance of driving unit economics and profitable traffic. He will roll-up his sleeves and partner with our franchisees to improve bottom line results. Douglas is a well-rounded marketer with strong experience in the digital arena. His work at Pei Wei resulted in social media engagement rates 10,000% greater than the industry average. He previously ran digital marketing for Cici's Pizza and is precisely what we need to modernize our marketing."

Bob Bafundo will be departing his role as president at RAVE. Additional new hires include Justin Smith as Senior Director of Operations for Pizza Inn and Aaron Archuleta as Director of Operations for Pie Five.

"Our new team brings a fresh perspective and modern approach to leadership at RAVE," said Solano. "I'm looking forward to working with this talented team to transform the business, drive profit and win with consumers."

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**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 in the 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](http://www.raverg.com).

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