

**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 21, 2022**

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 1.01 **Entry into a Material Definitive Agreement**

On December 21, 2022, Rave Restaurant Group, Inc. (the “Company”) entered into a Stock Purchase Agreement with Hallmark Financial Services, Inc. (“Hallmark”) pursuant to which the Company purchased from certain direct or indirect subsidiaries of Hallmark an aggregate of 2,246,086 shares of the Company’s common stock at a price of \$1.60 per share, resulting in an aggregate purchase price of \$3,593,738. The price per share represented the average closing price of the Company’s common stock on the Nasdaq Capital Market for the preceding 15 trading days. The transaction was approved by the Audit Committee of the Company, which consists of all of the independent directors of the Company. The Chairman of the Company, Mark E. Schwarz, who is also the Executive Chairman and Chief Executive Officer of Hallmark, recused himself from all deliberations with respect to the Stock Purchase Agreement with Hallmark.

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

Item 9.01 **Financial Statements and Exhibits**

(c) Exhibits.

[10.1](#) Stock Purchase Agreement dated December 21, 2022, between Rave Restaurant Group, Inc. and Hallmark Financial Services, Inc.

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 23, 2022

By: /s/ CLINTON D. FENDLEY
Clinton D. Fendley
Chief Financial Officer
(principal financial officer)

STOCK PURCHASE AGREEMENT

This Stock Purchase Agreement (the "*Agreement*") is made and entered into as of the 21st day of December 2022, between Rave Restaurant Group, Inc., a Missouri Corporation ("*Purchaser*"), and Hallmark Financial Services, Inc., a Nevada Corporation ("*Seller*").

Recital

- A. Seller wished to sell 2,246,086 shares (the "*Shares*") of the common stock, \$0.01 par value per share, of Rave Restaurant Group, Inc. to the Purchaser, and the Purchaser wishes to purchase the Shares, on the terms and subject to the conditions of this Agreement (the "*Transaction*").

Agreement

The parties agree as follows:

**ARTICLE I.
THE TRANSACTION**

Section 1.1. Purchase and Sale of Shares. Seller hereby sells, transfers, assigns and delivers to the Purchaser the Shares. Seller will promptly make electronic delivery of the Shares in a form reasonably acceptable to Purchaser as follows.

Account Name: Pizza Inn, Inc.
Account#: OFN-034819
Broker: National Financial Services
DTC #0226

Section 1.2. Purchase Price and Payment. The Purchaser hereby purchases all of the Shares for a purchase price of \$1.60 per Share, payment for which will be made on December 21, 2022 by means of a wire transfer of \$3,593,738 in the manner specified by Seller as follows:

JP Morgan Chase ABA: 021000021 Acct#:9009000168

Credit account names with allocation as follows:

For 1,741,230 Shares
\$2,785,968
Ref acct name: American Hallmark Insurance Company
Ref acct#: P 03539

For 252,428 Shares
\$403,885
Ref acct name: Hallmark Insurance Company
Ref acct#: P 03542

For 252,428 Shares
\$403,885
Ref acct name: Hallmark Specialty Insurance Company
Ref acct#: P 03543

ARTICLE II.
REPRESENTATIONS AND WARRANTIES OF THE SELLER

Seller hereby represents and warrants to the Purchaser as of the date of this Agreement as follows:

Section 2.1. Authority. It is a Corporation validly existing and in good standing under the laws of the State of Nevada. It has all requisite legal capacity and power and authority to enter into this Agreement and to perform the transactions contemplated hereby.

Section 2.2. Validity. This Agreement is duly executed and delivered by it and constitutes its lawful, valid and binding obligation, enforceable in accordance with its terms. The execution and delivery of this Agreement and the consummation of the Transaction by it are not prohibited by, do not violate or conflict with any provision of, and do not result in a default under (a) any material contract, agreement or other instrument to which it is a party or by which it is bound; (b) any order, writ, injunction, decree or judgment of any court or governmental agency applicable to it; or (c) any law, rule or regulation applicable to it, *except* in each case for such prohibitions, violations, conflicts or defaults that would not have a material adverse consequence to the Transaction.

Section 2.3. Ownership of Shares. Its wholly owned affiliates are the record and beneficial owner of the Shares and upon consummation of the transactions contemplated by this Agreement, the Purchaser will acquire good and marketable title to the Shares, free and clear of any liens, encumbrances, security interests, restrictive agreements, claims or imperfections of any nature whatsoever, other than restrictions on transfer imposed by applicable securities laws.

ARTICLE III.
REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser hereby represents and warrants to the Seller as of the date of this Agreement as follows:

Section 3.1. Authority. It is a corporation validly existing and in good standing under the laws of the State of Missouri. It has full corporate power and authority, without the consent or approval of any other person, to execute and deliver this Agreement and to consummate the Transaction. All corporate and other actions required to be taken by or on behalf of it to authorize the execution, delivery and performance of this Agreement have been duly and properly taken.

Section 3.2. Validity. This Agreement is duly executed and delivered by it and constitutes its lawful, valid and binding obligation, enforceable in accordance with its terms. The execution and delivery of this Agreement and the consummation of the Transaction by it are not prohibited by, do not violate or conflict with any provision of, and do not result in a default under (a) its charter or bylaws; (b) any material contract, agreement or other instrument to which it is a party or by which it is bound; (c) any order, writ, injunction, decree or judgment of any court or governmental agency applicable to it; or (d) any law, rule of regulation applicable to it, *except* in each case for such prohibitions, violations, conflicts or defaults that would not have a material adverse consequence to the Transaction.

ARTICLE IV.
GENERAL PROVISIONS

Section 4.1. Survival The representations and warranties set forth in this Agreement shall survive the execution of this Agreement and the consummation of the transactions contemplated herein.

Section 4.2. Parties and Interest. This Agreement shall bind and inure to the benefit of the parties named herein and their respective heirs, successors and assigns.

Section 4.3. Entire Transaction. This Agreement contains the entire understanding among the parties with respect to the transactions contemplated hereby and supersedes all other agreements and understandings among the parties with respect to the subject matter of this Agreement.

Section 4.4. Applicable Law. This Agreement shall be governed by and construed in accordance with the domestic laws of the state of Texas, without giving effect to any choice of law or conflict of law or conflict of law provision or rule (whether of the state of Texas or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the state of Texas.

The parties hereto have caused this Agreement to be executed as of the date first written above.

RAVE RESTAURANT GROUP, INC.

By: /s/ Clinton D. Fendley
Clinton D. Fendley
Vice President & Chief Financial Officer

HALLMARK FINANCIAL SERVICES, INC.

By: /s/ Christopher Kenney
Christopher Kenney
President & Chief Financial Officer