

National
E Franchise
S Sales

M&A | Advisory Services



2015
ANNUAL REPORT

President's Message

For nearly 40 years National Franchise Sales (NFS) has been guided by the principal of respecting the franchise model. The longevity of NFS is a direct result of maintaining stability in the transactions by employing a solution minded thought process.

I am proud to lead a team of Franchise Industry Professionals that wholeheartedly subscribes to the shared vision of creating positive milestone events in the lives of our clients.

National Franchise Sales is comprised of over 20 uniquely capable professionals who work to provide service that surpasses expectations. The dedication to a unique business model with Franchise Industry Professionals, continues to expand our business, and again has led to the addition of several new Advisors and staff, and multiple internal promotions.

As part of our endeavor to assist existing franchisees, and usher in a new generation of operators capable of meeting the vision of Franchisors, National Franchise Sales promises to grow our team to meet the needs of, and above all, deliver value to our clients.



Jerry Thissen
President / Principal

A handwritten signature in black ink that reads "Jerome J. Thissen". The signature is fluid and cursive, with a long horizontal flourish at the end.

Founder | President
Jerome J. Thissen



People & Promotions

National Franchise Sales continues to grow and expand. Continuing its long history of promoting from within, NFS had several key promotions and additions in 2015.



Connie Jones
Associate Partner

Connie Jones joins Executive Team as Associate Partner

A six year veteran of National Franchise Sales, Connie exemplifies the values and culture the company aspires to cultivate. Her promotion was brought about in recognition of, not only her professionalism as an active sales agent, but for the achievements she has helped the company realize in her position as Operations Manager as well.

Michael Ingram, Vice President of National Franchise Sales, said "Connie Jones has proven to be a valued member of the National Franchise Sales team of Advisors, and in this new role as part of the Executive Team, we feel confident that the company will benefit from her unique insight."

Connie Jones joined National Franchise Sales in 2009 with extensive experience in franchise restaurant ownership. Within National Franchise Sales, Connie is the Brand Specialist for the Taco Bell, Five Guys, Wendy's, Fatburger, and IHOP brands.



Richard Kowalski
Managing Director,
Refranchising Services

Rick Kowalski leads National Franchise Sales' Restaurant Refranchising Services

Rick Kowalski, with over 25 years in QSR, Full Service and Fast Casual restaurants, has held executive positions in brands including Wienerschnitzel, KFC, El Pollo Loco, Hilton Hotels Corporation, Sizzler and Dunkin Brands.

At Dunkin Brands Rick worked with international franchised and licensed partners to drive record levels of trading profit. He has a keen understanding of operations and what it takes for franchisees to be successful. Rick and his team were responsible for taking the It's A Grind Coffee House franchise to regional prominence doubling the size of the company in less than 5 years and selling over 200 franchises. He facilitated the sale of the company to the Gloria Jean's group in Sydney, Australia.

"Refranchising can be a very powerful strategy for restaurant brands. The franchisor can raise capital with these divestitures for many reasons including remodel projects, acquisitions, to pay down debt or even launch a new product," said Kowalski. "NFS is uniquely positioned to help brands refranchise because of their established buyer base and excellent reputation, built up over 38 years of doing business with franchisors coast to coast."



Denise Bell
Managing Director

Denise Bell transitions from Support to Sales

As a National Franchise Sales' Transaction Manager, and staff member with the greatest tenure, Denise Bell has been assisting buyers and sellers with every aspect of the Transaction process. In 2015 Denise transitioned from this support position to that of Managing Director.

As part of the NFS Advisory Team, she works with clients, by directing each element of the transaction including financing, lease approval, franchisor approval and escrow. Her goal is to assist each buyer and seller through to a successful completion of their sale or purchase.

Denise joined National Franchise Sales in 2003 as an Administrative Assistant and grew through every support position in the company. Her background in the area of Transaction Management is invaluable to her position as an Advisor.



Rebecca Black
Advisor

CFE Rebecca Black joins National Franchise Sales as Advisor

Prior to joining National Franchise Sales, Rebecca's food service career was focused on operations and franchise support. Career highlights include the development of 26 Papa John's in California and Alaska, the honor of a Pacesetter Award for Small Business from the Roundtable for Women in Food-service, and as an Operating Partner for Panera Bread developing Orange County. Her latest positions included executive positions in two other highly franchised brands, Shakey's and Chronic Tacos.

Her extensive experience in both the corporate and franchise world has given Becky a unique perspective enabling her to help franchisees succeed.

Rebecca is an Executive Board Member at Ramona's Mexican Food Products, a manufacturer of high quality Mexican food established in 1947. She holds a BS in Business Management from University of Phoenix and is a Certified Franchise Executive with the International Franchise Association.



Cathryn Vallevieni
Advisor

Cathryn Vallevieni - Buying Advisor

Cathryn has been a licensed real estate broker since 1977 and won numerous awards for excellence. She has experience with a wide range of business types and sizes, while successfully representing buyers and sellers of multi-million dollar businesses including her extensive experience selling franchised businesses. Additionally, she has written articles in several publications discussing business ownership, valuing businesses and purchasing and selling franchises.

Cathryn's specialty is Buyer Representation where she works directly with business buyers – individual owner/operators, investors or corporations, to clearly define the specific type of business that is right for them.



Darren Utley
Advisor

Darren Utley - Franchise Industry Veteran joins Advisory team

Darren has been buying, selling, and operating franchise restaurants successfully for twenty-four years. He began his franchise career working for the Domino's Pizza Corporation (DPI) in franchisor restaurant operations. His success with market/unit rehabilitation and sales growth spurred the company to sell him eight under performing units.

Darren was selected as the first franchisee for the Baja Fresh Mexican Grill chain. At Baja Fresh, he went on to open and operate nine locations, earning the Franchisee of the Year award twice. He also served as chairman on the Baja Fresh Franchisee Advisory Council and as a member of the Baja Fresh Marketing Fund Committee.

2015 New Hires & Promotions - NFS Expanded Support Team



Megan Black
Transaction Coordinator



Ana Gonzalez
Administrative
Assistant



Jennifer Mach
Transaction Processor



Brittany Solaas
Transaction Manager
Associate Advisor

Brokerage

National Franchise Sales (NFS) serves franchisees, franchisors and restaurant chain owners across the US.

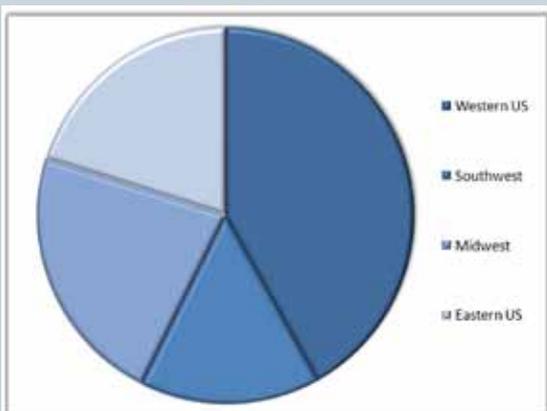
Resale opportunities in the Western US were considerable in 2015. The Western, Midwest and Eastern transfers continued to emerge in greater volume.



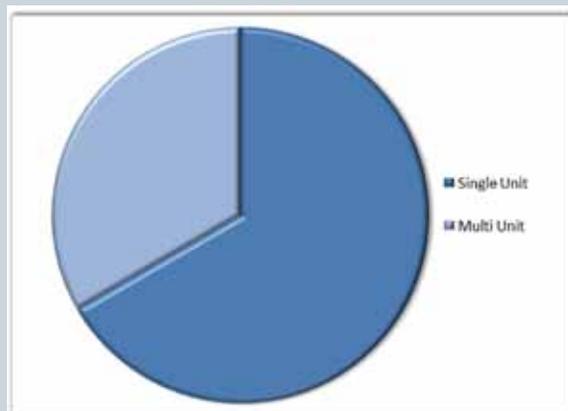
Snapshot of Resale Opportunities Available and in Sales Process - Year End 2015*

*Pins reflect number of single & multi-unit opportunities - location count considerably higher

2015 Opportunities by Region



2015 Opportunities Unit Count



National Franchise Sales assists Restaurant Chain owners in the divestiture of their chains and/or franchise systems. The NFS database of franchisees and restaurant professionals have the financing and experience necessary to acquire, run and grow restaurant chains, creating a perfect match for both buyers and sellers.



In 2015 National Franchise Sales (NFS) completed the sale of the Fosters Freeze franchise system, an 82 unit fast food/dairy concept boasting California's original soft serve desserts.

"The team at NFS were available and professional every step of the way - I was especially appreciative of the way NFS acted to negotiate all the moving pieces in the final weeks. It was a pleasure to work with Michael Ingram and all at NFS" said the buyer, Fosters Freeze International's Kishan Patel.

Lender Opus Bank provided funding for this transaction. The specific terms of the sale of franchise ownership between Fosters Freeze LLC and Fosters Freeze International, LLC are confidential.

The National Franchise Sales team, led by Vice President, Michael Ingram was instrumental in bringing together the buyer and seller, facilitating the sale in all stages, including the sourcing of the acquisition debt and all steps leading to a successful consummation of sale.



This brand/company had most everything in place to make it a Franchisor but had not pulled the trigger to become a full fledged Franchisor.

The Buyer is a multi unit franchisee, of a Franchisor that has restaurants throughout the world.

This Buyer will be able to bring his franchise expertise into this brand allowing for additional growth or possibly franchising.

NFS assisted in every step of the transaction from:

- Valuation
- Sale
- Lease assignments
- Financing
- Liaison with Escrow officer

Refranchising

NFS works closely with Franchisors to strategically plan and analyze what assets should be marketed -- assisting Franchisors in setting goals to determine what assets or markets should be sold.

Through Refranchising, companies have raised millions in capital, and have experienced improved sales performance.



Dateline July 28, 2015: National Franchise Sales (NFS) - the leading firm in franchised restaurant re-sales announced today a re-structuring of its Restaurant Refranchising Services.

NFS Restaurant Refranchising Services will be led by industry veteran Rick Kowalski and staffed with NFS Advisors who have extensive experience in refranchising.

NFS has partnered in the past with many brands to refranchise their company assets including Sizzler, El Pollo Loco, Denny's, Carrow's and Baja Fresh.

STAFFED WITH INDUSTRY PROFESSIONALS

The National Franchise Sales team is comprised of franchise professionals who have worked in some of the top franchised restaurant brands, having been responsible for and understand the legal, operational and financial impact of franchising

REFRANCHISING TEAM



Richard Kowalski
949.336.7431



Jerome J. Thissen
949.428.0481



Michael J. Ingram
949.428.0482



Alan F. Gallup
949.428.0483



Mike Deegan
949.428.0492



Helen M. Trent
949.428.0488



Paul Wilmoth
949.428.0485

In each case, as a franchise resale brokerage, National Franchise Sales was able to bring market value to distressed assets by deploying our extensive knowledge of the franchise lender community, our relationships with the franchisors, and our massive franchise buyer client database.

NATIONAL FRANCHISE SALES BRINGS MARKET VALUE TO DISTRESSED ASSETS



ASSET RECOVERY TEAM



Michael J. Ingram
949.428.0482



Alana McGinnis
949.428.0497



Alan F. Gallup
949.428.0483

MEMBER



Advisory Services

The NFS Advisory Services practice area continues to utilize the vast number of transactions completed by NFS each year as a broad platform of current industry knowledge. Throughout 2015, NFS was engaged in a variety of Advisory Services assignments, including Buy-side representation, Dispute Consulting, Restructuring Advisory, Business Valuations and Appraisals. Many of these projects had underlying issues such as eminent domain, partnership dissolutions, and collateral disputes with secured creditors or taxing authorities.



THE NATIONAL FRANCHISE SALES DIFFERENCE



TEAM

The NFS offices are staffed with **franchise** industry professionals

NFS Advisors have held a variety of posts in some of the top franchised restaurant brands

NFS Advisors possess the knowledge, and experience - as former members of the franchise community - to consult on acquisition and divestitures from an insider's view



EXPERIENCE

For nearly 40 years NFS has skillfully incorporated the requirements of the Franchisor, the desires of the buyers, and the needs of the sellers into successful franchise resale transactions

NFS has a deep, and narrow focus of working exclusively with franchise restaurants



NETWORK

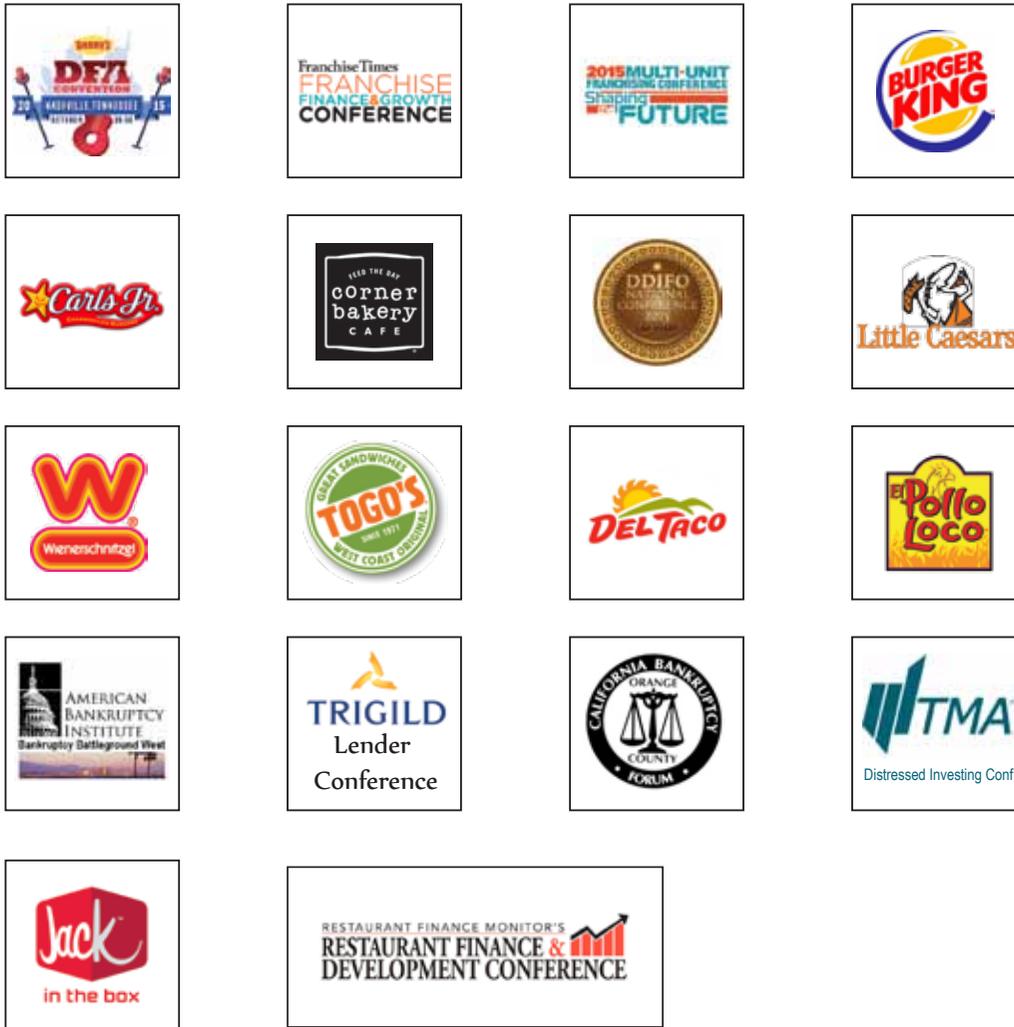
Through the brokerage of thousands of franchised restaurants, NFS has established a network of buyers, sellers, franchisors, and lenders

NFS maintains a database of over 85,000 franchise owners and industry professionals

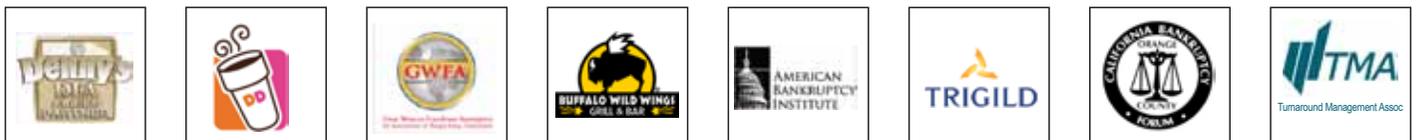
Continual brand development of new markets to identify prospective franchisees

Conventions & Associations

National Franchise Sales participated in a variety of conferences and conventions in 2015, representing a mix of franchise association, company and industry events.



National Franchise Sales and its Advisors are active members of a variety of franchise and industry associations.



National Franchise Sales Team



Jerry Thissen
President / Principal



Michael Ingram
Vice President / Principal



Alan F. Gallup
Principal



John Lukac
Partner



Connie Jones
Associate Partner



Denise Bell
Managing Director
Newport Beach, CA



Becky Black
Advisor
Newport Beach, CA



Barry Burke
Managing Director
Dallas, TX



Michael Deegan
Managing Director
Asheville, NC



Ellen Hui
Managing Director
San Francisco, CA



Jeff Jones
Managing Director
San Diego, CA



Rick Kowalski
Advisor
Newport Beach, CA



Helen Trent
Managing Director
Newport Beach, CA



Darren Utley
Advisor
Newport Beach, CA



Cathryn Valleieni
Advisor
Tustin, CA



Paul Wilmoth
Managing Director
Roseville, CA



Megan Black
Transaction Coordinator



Ana Gonzalez
Admin Assistant



Ron Johnson
Lead Generation
Specialist



Alana McGinnis
Executive Assistant



Jennifer Mach
Transaction Processor



Paula Parrish
Marketing Manager



Brittany Solaas
Transaction Manager
Assoc Advisor



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