

National ⁴⁰ YEARS
Franchise
Sales



2017-18
ANNUAL REPORT

PRESIDENT'S MESSAGE



Jerry Thissen
President / Principal

The past year has been fulfilling and successful, and especially exciting for me as National Franchise Sales (NFS), the company I founded in 1978 enters its 40th Year.

My primary focus as president of NFS is to guide our team toward the meeting of goals – for our clients, our company and themselves. Looking at this past year's accomplishments makes me proud to have honored NFS' guiding principles:

To resell existing franchise businesses and restaurant chains through advisory services that reflect the highest respect for our fiduciary duty.

In 2017 National Franchise Sales sold franchise restaurants in excess of \$100 Million in value. These sales reflect a variety of concepts, franchisees and geographical locations. Many of these transactions required complicated and complex negotiations and pressing time-lines that I am proud to say were met by the NFS team with integrity. Our clients were able to acquire or divest of franchises comfortable in the knowledge that their transactions were being conducted with respect and in a forthright manner.

Mature and evolve with the franchise industry

National Franchise Sales dedicated investment in people and technology in 2017. Our collaborations with industry professionals with special expertise in the areas of real estate sales and formal appraisal has been particularly rewarding.

The strides NFS made in the area of technology, notably the development of our website's delivery of listing and due diligence materials, and increased visibility through the use of social media platforms.

Provide an environment in which Advisors & Staff can achieve success

A number of NFS Advisors and Staff met growth achievements they had set for themselves in 2017. I was particularly proud to announce in February that Denise Bell, one of National Franchise Sales' long-term and valued team members was promoted to Associate Partner..

For many, anniversaries are cause for reflection on the past – which I certainly welcome as I am proud to celebrate all National Franchise Sales has accomplished. But I am also excited to look toward the future and all we have yet to achieve!



BROKERAGE

OVER \$100,000,000 SOLD IN 2017

National Franchise Sales (NFS), reported completed transactions in excess of \$100M in sales for the calendar year 2017. Select engagements* include the following:



Bryce Olson of BTO Investments, Inc. a veteran of family owned and operated multi-unit Carl's Jr. franchisee Star Acquisitions, acquired 36 Carl's Jr. restaurants in the Las Vegas, Nevada market from SL Investments, Inc. National Franchise Sales facilitated the transfer process from executed contract to completed sale in just over 90 days, including the negotiation of 36 leases and subleases with 28 different landlords.



National Franchise Sales assisted Continental Restaurants, Inc. in completing the sale of 25 Denny's restaurants in the Dallas/Ft Worth DMA. The seller will operate a few remaining Denny's while continuing to develop new Denny's.



NFS was engaged by the seller, 2 for 5, LLC to find the right buyer to not only purchase their Five Guys assets consisting of 12 units in South Carolina, but take on the growth of the territory along with commitments to several upcoming Franchisor required Refresher requirements. NFS identified buyer Quintet Acquisitions, LLC who was looking to begin a growth strategy of restaurants in the Five Guys brand and other restaurant concepts.



National Franchise Sales secured a buyer for all the Applebee's restaurants in Utah as the Seller exited the brand. During this time, Applebee's saw close to double digit sales declines in this casual dining segment but these buyers, Apple Mountain, LLC saw this as an opportunity for the future.

*For a full list of NFS completed transactions please navigate to the NFS website <https://www.nationalfranchisesales.com/complete-transactions>

COLLABORATIONS

Real Estate Transactions



National Franchise Sales and **SRS Real Estate Partners** have joined together in a strategic alliance, to offer clients the most knowledgeable and professional expertise in both franchise resales and franchise real estate transactions.



Dale Robbins
Senior Associate

Clients benefit as this strategic alliance allows each company to concentrate on what it does best, while working together on the common objective of achieving the best resolution for each asset type.

Combining the deep experience and professionalism of these long-standing firms optimizes every phase of the buy/sell process. Closings are streamlined as the transaction management teams of each company work together to sync the closing of franchise business assets and fee properties.

Financial Forensics



Scott A. Roehr
CPA, CFA, ASA

Scott A. Roehr is a financial forensic professional dedicated to serving the restaurant industry. Most of his retentions relate to disputes or restructurings involving restaurant businesses or business interests – experience includes work in commercial litigation, financial restructurings, bankruptcies, marital dissolutions, partnership dissolutions, and shareholder disputes.

Scott's scope of practice includes:

Opinions: Expert financial opinions regarding valuation, quantification of damages, and other financial assessments;

Evaluations: Reviews, reconciliations, and rebuttals of financial analyses prepared by other experts; and,

Consultations: Litigation support, management consulting, and professional collaborations.

TECHNOLOGY

National Franchise Sales (NFS) invested extensively in the proprietary technology to enhance the user experience of the NFS website and increase facilitation of client Due Diligence materials - creating the industries most user friendly experience :

ENHANCED OPPORTUNITY SEARCH CAPACITY



Easy to set Email Alerts for New Listings that match your interest and much, much more!

I would like to receive email notifications when matches are found for this search.

ENHANCED DUE DILIGENCE DELIVERY



"The files that were set up on your web site related to our initial request for Due Diligence materials were extremely organized and very easy to navigate saving us valuable time in our assessment and (offer) submittal"

Stan Synkoski
Buyer | 10 Applebee's restaurants

SOCIAL MEDIA

In addition to web, print and direct mail advertising National Franchise Sales' listings are broadcast across a variety of platforms including Twitter, LinkedIn, Facebook & email push notifications.



@NFSresales

PRESS & PANELS

Franchise Times[®] The News and Information Source for Franchising

At 40, an up-tempo plan for National Franchise Sales

BY BETH EWEN | Published: 10.26.17



**JEROME J. THISSEN, PRESIDENT & FOUNDER
NATIONAL FRANCHISE SALES**

... Today, National Franchise Sales is the largest franchise resale company, with headquarters in Newport Beach, California, and 26 employees, including 18 advisers and eight support staff, who work from all over the United States. Michael Ingram is vice president and joined 20 years ago as a full equity partner at a time when only four or five people worked there.

“Right now we’re gaining on average 250 or more new clients per month, year in and year out, and a database over 90,000,” Ingram said. “We have an obligation to these people,” and all associates at the firm engage in “a lot of hand-holding” with the buyers.

“The key is, they have to feel good about that brand,” he says. “Every single brand goes through its up and downs, and most of the time those ups and downs have nothing to do with the economy. No brand will skip some decline at some point.” Ingram insists that every prospective franchisee talk with as many franchisees and general managers as they can before deciding, so they are “going in with your eyes open.” ...

<http://www.franchisetimes.com/November-December-2017/At-40-an-up-tempo-plan-for-National-Franchise-Sales/>

RESTAURANT FINANCE MONITOR'S
RESTAURANT FINANCE & DEVELOPMENT CONFERENCE

Join me as I participate in a forward looking discussion of franchise sales with other industry professionals

M&A AND VALUATION
The Outlook for Buying and Selling Franchisees in 2018

TUESDAY; NOVEMBER 14TH | 2:30PM - 3:30PM

Michael J. Ingram
949.428.0482

www.nationalfranchisesales.com

Webinar

FINANCIAL PLANNING & EXIT STRATEGIES IN FRANCHISING

WEDNESDAY JUNE 7, 2017 12PM NOON EST

Ellen Hui
eh@nationalfranchisesales.com
949.428.0498-0
415.902.8678 - C

www.nationalfranchisesales.com

Tune in tomorrow as I discuss Exit Strategy, Succession Planning and other questions regarding the Resale of Franchise Businesses!

FranchiseWell
Rising Above the Ordinary

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 2017.



Denise Bell
Associate Partner

DENISE BELL ADVANCES TO ASSOCIATE PARTNER

Denise continuously strives to advance in her professional career, and demonstrates the elements of the NFS Values and Culture, making her a perfect candidate for this promotion.

Denise Bell started at National Franchise Sales in 2003 as an Administrative Assistant; she was instrumental in adapting the administrative processes to the current Transaction Processing model that has continued to grow over the years. As her growth continued, she moved into working full time as an Advisor in 2015. In Denise's role as Associate Partner, she assists in the overall growth and direction of NFS while continuing her service to buyers and sellers.



Helen M. Trent
Sr. Managing Director

HELEN TRENT PROMOTED TO SENIOR MANAGING DIRECTOR

Helen Trent has consistently been a top producer at Sales, and over the past several years, has led various project teams while mentoring other Advisors and staff.

Helen Joined National Franchise Sales in 2004, bringing with her 30+ years of franchise development experience and operational knowledge. Her reputation and experience in the industry adds to the busy momentum of the NFS offices and plays an important role in assisting franchisee and franchisor sellers, buyers and small chains reach their goals.



Rebecca Black
Managing Director | CFE

BECKY BLACK TRANSITIONS TO MANAGING DIRECTOR

Becky joined National Franchise Sales in 2015, and has since contributed valuable oversight in the area of quality control, participated in several high volume transactions, and proffered the mentoring of other Advisors.

Rebecca holds a BS in Business Management and is a Certified Franchise Executive (CFE) with the International Franchise Association.



Ritchie Labate
Advisor

INDUSTRY VETERAN RITCHIE LABATE JOINS NATIONAL FRANCHISE SALES

Mr. Labate brings a wealth of experience to his new role having previously established himself as a franchise consultant and advisor in other ventures, and as a current franchisee in the Jamba Juice system. He has served as a Mentor for the University of California, Davis, Center for Entrepreneurship, is a contributing member of the International Franchise Professionals Group, is an "Expert Advice" Business Column Contributor for the Sacramento Business Journal, is a Certified Business Broker (CBB) and Certified Franchise Consultant (CFC). He has been honored as both Franchise Consultant of the Month and Franchise Consultant of the Year, by a large, national franchise system.

SUPPORT STAFF ROLES EXPAND



Megan Black
Social Media Coordinator



Ana Gonzalez
Office Coordinator



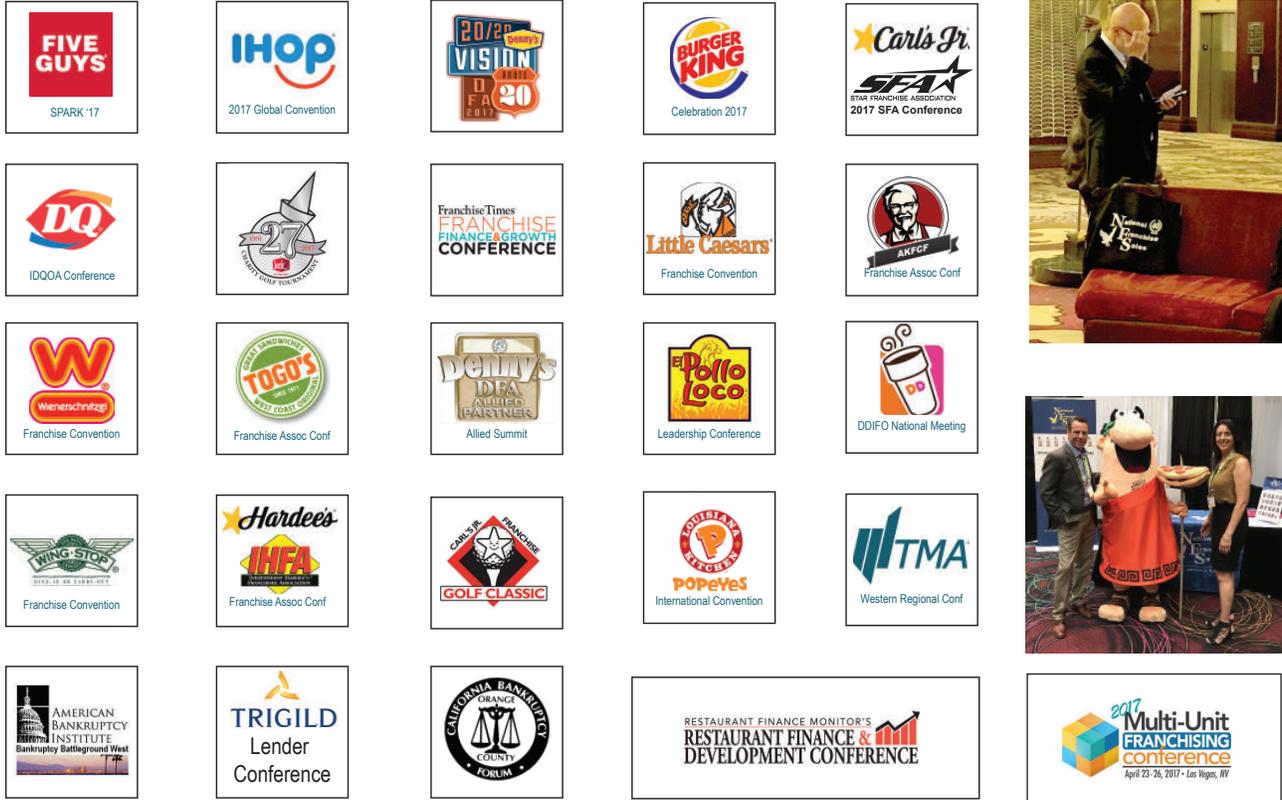
Alana McGinnis
Project Coordinator



Heidi Price
Transaction Processor

CONFERENCES & ASSOCIATIONS

National Franchise Sales participates in a variety of conferences and conventions each year, representing a mix of franchise association, brand and industry events.



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



CELEBRATING



40 YEARS

NATIONAL FRANCHISE SALES RESALE TEAM



Jerome J. Thissen
President | Founder



Michael J. Ingram
Vice President



Alan F. Gallup
Principal



John Lukac
Partner



Denise Bell
Associate Partner



Connie Jones
Sr. Managing Director



Helen M. Trent
Sr. Managing Director



Rebecca Black
Managing Director | CFE



Barry Burke
Managing Director



Michael Deegan
Managing Director



Ellen Hui
Managing Director



Jeff Jones
Advisor



Richard Kowalski
Advisor



Ritchie Labate
Advisor



Brittany Solaas
Associate Advisor



Darren Utley
Advisor



Cathryn Vallevieni
Advisor



Paul Wilmoth
Managing Director



Lisa Burke
Brand Development Sp.



Paula Parrish
Marketing Manager



Megan Black
Transaction Manager



Ana Gonzalez
Office Coordinator



Ron Johnson
Lead Generation Sp.



Andrea Lovell
Executive Assistant



Alana McGinnis
Project Coordinator



Heidi Price-Knudsen
Transaction Processor