# Restaurant and Franchise Finance

**Whether it is private equity sponsors investing in established brands, owners growing their existing investments, or investors expanding new concepts or creating smart solutions for distressed credits, franchise and restaurant industry lenders continuously require access to debt capital markets. Katten's restaurant and franchise finance attorneys are trusted advisers in these transactions because of our deep experience, creative counsel and adept structuring of optimum financing options for our clients, including banks and finance companies, private equity funds, and corporate borrowers.**

### Customized transactions for clients of all sizes

Our Restaurant and Franchise Finance team has successfully navigated hundreds of unique financing transactions within the industry — from sophisticated, broadly syndicated acquisition financings to bilateral credit facilities. Our clients turn to us for accumulated industry knowledge and creative solutions for financings of new restaurant concepts, large franchisee groups and internationally recognized brands.

We are uniquely able to bridge the dynamics of debt financings with the unique aspects of working with franchises and restaurants. Whether it is helping clients understand the impact of franchise laws; interacting with franchisors; or working through industry-specific financial metrics, reporting and covenants, we understand how to make restaurant and franchise finance deals work.

We regularly assist lead arrangers, administrative agents and lenders to both lead and participate in senior secured credit facilities, unitranche products, first- and second-lien credit facilities, preferred stock issuances, mezzanine debt, and development lines of credit.

### Leveraging a diverse team

While restaurant and franchise finance is a unique niche, Katten's entire Private Credit team is available to offer a broad view of the lending markets, and we can tap the capabilities of attorneys with specific knowledge and experience from virtually any arena.

Our Private Credit team includes more than 55 attorneys representing many of the most active debt investors in the market — closing more than 500 transactions in 2018 alone.

## Key Contacts



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Additionally, we regularly advise on other ongoing legal issues facing our franchise and restaurant industry clients. For example, our restructuring attorneys can help clients navigate distressed debt sales, workouts and other potential recovery options, while our real estate attorneys can facilitate property acquisition and development as well as sale-leaseback transactions.

## Our Experience

- Represent credit asset manager as lender of senior secured credit facilities and revolving credit facility to finance private equity recapitalization of national QSR restaurant concept with more than 750 locations.
- Represent credit asset manager as administrative agent, sole bookrunner and sole lead arranger in a syndicated credit facility to finance the acquisition of a growing fast casual restaurant concept with locations in more than 13 states.
- Represent leading middle-market debt provider as administrative agent, sole bookrunner and sole lead arranger in a syndicated credit facility to finance the private equity acquisition of a large franchisee group of a national donut and coffee concept.
- Represent lead lender in the provision of a $442 million senior credit facility to finance the private equity acquisition of a leading corporate franchisee under the Taco Bell, KFC and Long John Silvers brands.
- Represent credit asset manager as agent for senior secured revolving and term loan facilities to finance the private equity acquisition of a national fitness franchise.
- Represent credit asset manager as administrative agent, lead arranger and bookrunner in senior secured credit facilities to finance the private equity acquisition of national massage franchise concept with locations in 49 states.
- Represent credit asset manager as administrative agent, sole bookrunner and sole lead arranger in a syndicated credit facility to finance the private equity acquisition of a large, multi-state oil change concept with locations in multiple states.
- Represent national commercial bank as agent in a term loan increase for a unique, tavern-based franchise concept with locations in several states.
- Represented the franchise finance group of a multinational bank as the administrative agent, lead arranger and lead lender in a senior secured credit facility to support the recapitalization of a private equity-backed platform company which operates a multi-state network of Dunkin' Donut units across the New York, South

Carolina and Virginia markets, and is one of the largest franchisee networks in the Dunkin' Brands system.

- Represented national commercial bank as administrative agent for a $23 million senior secured loan to finance the private equity acquisition of Pepperjax Development, LLC, a restaurant owner/operator.
- Represented initial lender in a $320 million term loan facility and $110 million delayed draw term loan facility to specialty retailer and Verizon franchisee A2Z Wireless Holdings, Inc. Proceeds of the term loan facility were used to pay a portion of the purchase price for the sponsor's acquisition of A2Z Wireless Holdings, Inc. and related transaction costs and expenses.
- Represent leading middle-market debt provider as administrative agent, sole bookrunner and sole lead arranger in a syndicated credit facility to finance the private equity acquisition of a large, national franchisor and its subsequent combination with another large, national franchisor owned by the same private equity sponsor.
- Represent leading credit manager as administrative agent and lead arranger for senior secured credit facilities to facilitate the majority investment by a private equity sponsor in a leading national manufacturer of fire/life-safety products.
- Represent leading credit manager as administrative agent and lead arranger for senior secured credit facilities to facilitate the private equity acquisition of a sports and hospitality business.
- Represent leading credit manager as administrative agent and lead arranger for senior secured credit facilities to facilitate the private equity acquisition of a national quick-service restaurant chain with more than 500 company-owned and franchised locations.
- Represented the franchise finance group of a multinational bank as the administrative agent, lead arranger and lead lender in senior secured credit facility to support the acquisition by a private equity sponsor of one of the largest national Pizza Hut franchisee groups, with over 100 locations.
- Represented a leading middle market private equity and credit investment firm as the administrative agent, lead arranger and lender in a senior secured, agented credit facility to a fitness club franchisee group with over 40 locations. The credit facilities were used to facilitate the purchase of the franchisee group by a private equity sponsor and provide debt capacity for future acquisitions and build-outs.
- Represented a leading private debt provider as the administrative agent, lead arranger and sole lender in a senior secured credit facility to support the acquisition of five different franchisee groups

within an emerging consumer health brand by a leading private equity sponsor.

- Represented both a leading private credit provider and a large Canadian pension fund as arrangers in a $630.0 million first lien credit facility and a $115.0 million second lien credit facility to support the acquisition of a large, national fitness franchisee by a leading private equity sponsor
- Represented a leading middle market private equity and credit investment firm as the administrative agent, lead arranger and lender in a senior secured, agented credit facility to facilitate the combination of two national restaurant concepts with over 85 locations. The credit facilities were used to facilitate the combination of the concepts by a leading private equity sponsor and provide debt capacity for future acquisitions and build-outs.

## Recognitions

*Recognized or listed in the following:*

- *Chambers USA*
  - Banking & Finance
    - Nationwide, 2017–2026
    - California, 2024–2026
    - Illinois, 2006–2026
  - Private Credit
    - Nationwide, 2025-2026
- *Chambers Global*
  - Banking & Finance, USA, 2021-2026