

# Katten

Katten Muchin Rosenman LLP

## RESTAURANT AND FRANCHISE FINANCE

### Our Clients

Katten's Restaurant and Franchise Finance team represents banks and finance companies, private equity funds and borrowers in the financing of leveraged buyouts and other strategic transactions in the restaurant and franchise industries. We handle both non-sponsored franchisee/owner-operator and private equity-sponsored franchisor/franchisee transactions.

### Our Services

With vast experience in this specialized lending segment, our attorneys understand the nuances and complexities that lenders, equity owners and borrowers face in restaurant and franchise transactions, ranging from smaller transactions for younger, growing concepts to large-market, broadly syndicated executions. Adept at structuring optimum terms for our clients, we regularly lead transactions utilizing senior secured credit facilities, preferred stock issuances, mezzanine debt, unitranche products and development lines of credit tailored to this space.

Employing a thorough and comprehensive approach, we customize financing arrangements based on the specific needs of our clients and their investment partners. Leveraging the knowledge and experience of our Commercial Finance practice, we develop structures to efficiently execute restaurant and franchise transactions. From our ability to offer counsel on industry-specific metrics, financial covenants and financial reporting, to our insight regarding franchise laws and "take private" transactions, we know how to make these deals work.

### RECOGNIZED BY

- *Chambers USA*
  - Banking & Finance (Nationwide, Illinois) 2018, 2017
- *Franchise Times*, Dealmakers of the Year, 2018



With our ability to translate the unique aspects of the restaurant and franchise industries—including collateral issues, franchise agreements, sale-leaseback transactions, state regulations and local liquor laws, brand rights, proprietary product issues and Anti-Tying Provisions—to the world of leveraged finance, we consistently deliver the counseling our clients need to achieve their goals while appropriately managing their risk exposure.

Our team also manages the multitude of ongoing issues that arise throughout the lifecycles of financings—from comprehensive and friendly restructurings to transformative acquisitions. Liaising with our Insolvency and Restructuring attorneys, our team also navigates clients through distressed debt sales, workouts and other avenues that help them maximize recovery.

Katten is at the forefront of the restaurant and franchise finance industries. By combining our sophisticated financing capabilities with keen industry insight, we spearhead even the most complex transactions with efficiency and a great attention to detail. Our attorneys

are lauded for their responsiveness to clients throughout the relationship—from negotiations through to closing and beyond.

## **Our Experience**

- Representation of a credit asset manager as lender of senior secured credit facilities and a revolving credit facility to finance the private equity recapitalization of a national QSR restaurant concept with more than 750 locations.
- Representation of a 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.
- Representation of a 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.
- Representation of a 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.
- Representation of a credit asset manager as agent for senior secured revolving and term loan facilities to finance the private equity acquisition of a national fitness franchise.
- Representation of a credit asset manager as administrative agent, lead arranger and bookrunner in senior secured credit facilities to finance the private equity acquisition of a national massage franchise concept with locations in 49 states.
- Representation of a 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.
- Representation of a national commercial bank as agent in a term loan increase for a unique, tavern-based franchise concept with locations in several states.
- Representation of a 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.
- Representation of an 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.
- Representation of a 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.
- Representation of a 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.
- Representation of a 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.
- Representation of a 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.