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10 SUPERIOR COURT OF THE STATE OF CALIFORNIA
 11 COUNTY OF LOS ANGELES

12 ERIC ROJANY, Individually and on Behalf of)
 13 All Others Similarly Situated,)
 14 Plaintiff,)

15 vs.

16 FAT BRANDS INC.,)
 ANDREW A. WIEDERHORN,)
 17 RON ROE,)
 JAMES NEUHAUSER,)
 18 EDWARD H. RENSI,)
 MARC L. HOLTZMAN,)
 19 SQUIRE JUNGER,)
 SILVIA KESSEI,)
 20 JEFF LOTMAN,)
 FOG CUTTER CAPITAL GROUP INC.,)
 21 TRIPPOINT GLOBAL EQUITIES, LLC and)
 DOES 1-25, inclusive,)
 22 Defendants.)

VIA FAX

Case No. **BC 708539**

COMPLAINT FOR VIOLATIONS OF
§§12(a)(2) AND 15 OF THE SECURITIES
ACT OF 1933

DEMAND FOR JURY TRIAL

COMPLAINT FOR VIOLATIONS OF §§12(a)(2) AND 15 OF THE SECURITIES ACT OF 1933

FILED
 Superior Court of California
 County of Los Angeles

JUN 07 2018

Sherri R. Carter, Executive Officer/Clerk of Court
 By Brian Smith Deputy
 Brian Smith

FAXED

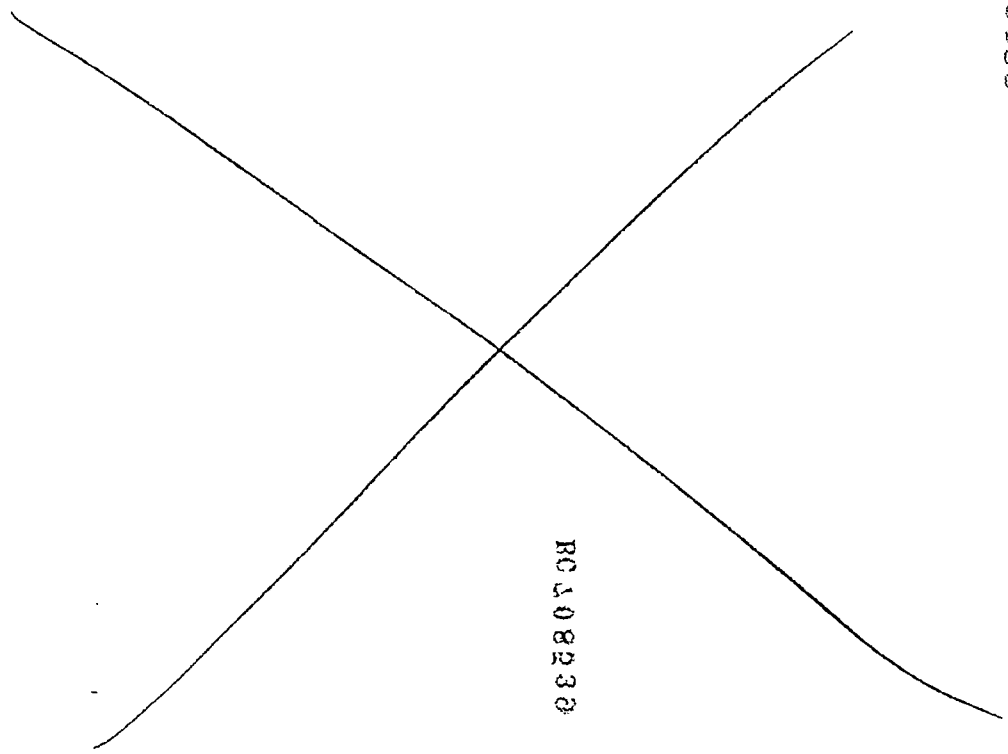
06/08/2018

CRT

CIT/CASE: BC708539
LEA/DEF#:

RECEIPT #: CCH612315033
DATE PAID: 06/07/18 01:37 PM
PAYMENT: \$1,435.00 310

RECEIVED:
CHECK: \$1,435.00
CASH: \$0.00
CHANGE: \$0.00
CARD: \$0.00



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1 Plaintiff Eric Rojany ("plaintiff"), individually and on behalf of all others similarly situated, by
 2 plaintiff's undersigned attorneys, for plaintiff's complaint against defendants, alleges the following
 3 based upon personal knowledge as to plaintiff and plaintiff's own acts, and upon information and belief
 4 as to all other matters based on the investigation conducted by and through plaintiff's attorneys, which
 5 included, among other things, a review of FAT Brands Inc. ("FAT Brands" or the "Company") press
 6 releases, U.S. Securities and Exchange Commission ("SEC") filings, and analyst reports, media reports
 7 and other publicly disclosed reports and information about FAT Brands. Plaintiff believes that
 8 substantial evidentiary support will exist for the allegations set forth herein after a reasonable
 9 opportunity for discovery.

10 **NATURE OF THE ACTION**

11 1. This is a securities class action on behalf of all those who purchased FAT Brands
 12 common stock pursuant to FAT Brands' October 23, 2017 initial public stock offering (the "IPO"),
 13 seeking to pursue remedies under the Securities Act of 1933 (the "1933 Act"). Defendants are
 14 responsible for false and misleading statements and omitted material facts in connection with the IPO.
 15 Defendants authorized or signed the Registration Statement, including an Offering Circular that formed
 16 part of the Registration Statement (collectively, the "Prospectus"), and/or participated in making false
 17 and misleading statements that omitted material facts in connection with the IPO roadshow. The IPO
 18 was made under Regulation A of the 1933 Act, and the Offering Circular was filed purportedly pursuant
 19 to Rule 253(g)(2). This lawsuit asserts claims under §12(a)(2) of the 1933 Act, which provides buyers
 20 of securities an express remedy for material misstatements or omissions made by any seller or solicitor
 21 in connection with the offer or sale of the issuer's securities involving a prospectus or oral
 22 communications, and §15 of the 1933 Act, which extends liability for the §12(a)(2) claims to those who
 23 controlled the issuer, here FAT Brands.

24 **JURISDICTION AND VENUE**

25 2. The claims alleged herein arise under §§12(a)(2) and 15 of the 1933 Act, 15 U.S.C.
 26 §§771(a)(2) and 770. Jurisdiction is conferred by §22 of the 1933 Act. This case is not removable to
 27 federal court.
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1 3. Venue is proper in this County pursuant to §22 of the 1933 Act. The violations of law
2 complained of herein occurred in this State and specifically in large part in this County. Defendant
3 FAT Brands is headquartered in this County and orchestrated the IPO in large part from this County,
4 including preparing and disseminating videos and other materials used to market the IPO in the
5 roadshow from this County.

6 **PARTIES**

7 4. Plaintiff Eric Rojany purchased FAT Brands common stock pursuant in the IPO, and
8 was damaged thereby.

9 5. Defendant FAT Brands is a multi-brand franchising company that acquires, markets and
10 develops fast casual and casual dining restaurant concepts.

11 6. Defendant Andrew A. Wiederhorn ("Wiederhorn") is, and was at the time of the IPO,
12 FAT Brands' Chief Executive Officer ("CEO"), President and a member of its Board of Directors (the
13 "Board"). Defendant Wiederhorn is also the chairman, CEO and controlling shareholder of defendant
14 FCCG (defined below), which owned 100% of FAT Brands' common stock at the time of its IPO. As
15 one of FAT Brands' executives in the IPO working group, Wiederhorn reviewed and approved, and
16 participated in making, statements to investors, including statements in the Prospectus and roadshow.
17 Wiederhorn was motivated by the financial implications of an IPO given his financial stake in the
18 Company via his family's 75% ownership of FCCG. Defendant Wiederhorn also received a \$400,000
19 cash bonus along with 15,000 shares as an inducement to complete the IPO, which shares immediately
20 assumed a market value of \$180,000 upon consummation of the IPO. Defendant Wiederhorn also
21 received stock options for 15,000 shares of FAT Brands common stock with a strike price of \$12 per
22 share in connection with completing the IPO that would vest in one year. Wiederhorn was also
23 motivated by the financial implications of an IPO for FAT Brands, FCCG and FAT Brands' other pre-
24 IPO investors.

25 7. Defendant Ron Roe ("Roe") is, and was at the time of the IPO, a Senior Vice President
26 and the Chief Financial Officer of FAT Brands. Defendant Roe is also the CFO of defendant FCCG.
27 Roe was motivated by the financial implications of an IPO given that he received a \$300,000 cash
28 bonus along with 15,000 shares as an inducement to complete the IPO, which shares immediately

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1 10. Defendants Marc L. Holtzman, Squire Junger, Silvia Kessel and Jeff Lotman were listed
 2 as "Director Nominees" in the Prospectus and would become members of the FAT Brands Board at the
 3 time of the IPO. They too were motivated by the financial implications of an IPO given that they each
 4 received stock options for 15,000 shares of FAT Brands common stock with a strike price of \$12 in
 5 connection with the IPO that would vest in one year. These defendants were also motivated by the
 6 financial implications of an IPO for FAT Brands, FCCG and FAT Brands' pre-IPO investors, including
 7 defendant Wiederhorn and his family, FAT Brands' controlling shareholders who effectively controlled
 8 whether they maintained their directorships at FAT Brands.

9 11. The defendants referenced above in ¶¶6-10 signed or authorized the signing of the
 10 Registration Statement used to conduct the IPO (defined below), or were listed therein as "Director
 11 Nominees," and are sometimes referred to herein as "Individual Defendants." The defendants
 12 referenced above in ¶¶6-7 are executives of FAT Brands who participated in the roadshow to sell the
 13 IPO and are sometimes referred to herein as the "Executive Defendants."

14 12. Defendant Fog Cutter Capital Group Inc. ("FCCG") is a Portland, Oregon-based
 15 company that owned 100% of the Company's common stock and voting power at the time of the IPO,
 16 and retained 80% of each following the IPO. Defendant Wiederhorn founded FCCG, was the chairman
 17 of its board of directors at the time of the IPO and then personally owned 38.5% of its outstanding
 18 common stock, though with his family owned 75% of FCCG shares. FCCG once had a public stock
 19 listing, but lost that listing and now trades on the pink sheets.

20 13. Defendant TriPoint Global Equities, LLC ("TriPoint") is an investment banking firm
 21 that, along with its crowd-funding subsidiary Banq, acted as underwriter of the IPO, serving as both
 22 Lead Manager and Book Runner. TriPoint participated in drafting and disseminating the Prospectus
 23 used to conduct the IPO and participated in crafting the oral statements made in connection with the
 24 selling efforts, including the Prospectus and roadshow video and other materials appearing on
 25 TriPoint's and Banq's websites. TriPoint built the broker-dealer syndicate that transacted the offering
 26 and was motivated by the financial implications of the IPO, given the Company's payment of \$1.8
 27 million, or 7.42% of the IPO's gross proceeds, in return for best efforts to sell the shares in the IPO, as
 28 well as the issuance of a warrant to purchase a number of shares of FAT Brands common stock equal to

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1 4% of the total shares of the common stock sold in the IPO, which were exercisable commencing upon
2 issuance and will be exercisable up to five years from the date of qualification of the IPO registration
3 statement at a price of \$15 per share. TriPoint is referred to herein sometimes as the "Underwriter
4 Defendant." Pursuant to the 1933 Act, TriPoint is liable for the material misstatements and omissions
5 used to market and conduct the IPO as follows:

6 (a) TriPoint is an investment banking house that specializes, *inter alia*, in
7 underwriting public IPOs of securities. It served as underwriter of the IPO and received more than \$1.8
8 million in fees as a result. TriPoint determined that in return for its share of the IPO proceeds, it was
9 willing to merchandize FAT Brands stock in the IPO. It arranged a roadshow prior to the IPO during
10 which it and the Executive Defendants met with potential investors and presented highly favorable
11 information about the Company, its operations and its financial prospects. As a significant part of the
12 roadshow, TriPoint, including through its subsidiary Banq, created web pages soliciting investment in
13 the IPO accessible from the home pages of TriPoint's and Banq's websites (TriPoint: "We focus on
14 growth companies seeking capital in the range of \$10-100 million through various debt and equity
15 financing instruments"; Banq: "Reinventing Capital Markets – The Crowd Finance Revolution" and
16 "We are bringing back the Small Cap IPO"). TriPoint also participated in scripting and creating videos
17 about FAT Brands and the IPO investment that it made accessible from the Banq website alongside a
18 neon-green "Learn More" button on the webpage that linked to a web form allowing investors to view
19 the Prospectus in connection with making their investment, to open an account with Banq, and to
20 purchase shares of FAT Brands. Through TriPoint's website, the IPO was sold, and TriPoint
21 authorized, approved, participated in making and communicated the statements in the roadshow videos
22 to plaintiff and other investors who purchased FAT Brands shares in the IPO on TriPoint's/Banq's
23 websites.

24 (b) TriPoint also demanded and obtained an agreement from FAT Brands that it
25 would indemnify and hold TriPoint harmless from any liability under the federal securities laws. It also
26 made certain that FAT Brands had purchased millions of dollars in directors' and officers' liability
27 insurance.

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SUBSTANTIVE ALLEGATIONS

FAT Brands' Fast-Casual Restaurant Concepts

15. At the time of the IPO, FAT Brands was the franchiser of just two fast casual restaurant brands: Fatburger and Buffalo's Cafe/Buffalo's Express. According to the IPO Prospectus, FAT Brands then "intend[ed] to complete the acquisitions [of] Ponderosa and Bonanza [steakhouses], including one company-owned restaurant, concurrently with the consummation of" the IPO, which would bring FAT Brands' fast-casual brand concepts up to three.

16. As a franchisor, FAT Brands generally did not own or operate actual restaurant locations. FAT Brands historically generated relatively strong margins, compared to other restaurant companies, by charging franchisees an initial franchise fee, as well as ongoing royalty payments. According to the IPO Prospectus, FAT Brands' "asset light franchisor model provide[d] the opportunity for strong profit margins and an attractive free cash flow profile while minimizing restaurant operating company risk, such as long-term real estate commitments or capital investments." At the time of its IPO, FAT Brands' existing portfolio of restaurant brands had a presence in seven states and 18 countries, totaling 176 locations.

17. Prior to the IPO, FAT Brands' flagship operating subsidiary, Fatburger North America, Inc. ("Fatburger"), accounted for the overwhelming majority of the Company's locations, revenues and profits, with 157 Fatburger locations across five states and 18 countries. Founded in 1947 in Los Angeles, Fatburger's famous tagline is "*The Last Great Hamburger Stand.*" The Fatburger menu is centered on hamburgers, in which it offers patties of varying sizes, small to large, and in varying numbers, along with add-ons such as cheese, bacon and eggs. Some Fatburger restaurants have a liquor license, as well as "Fat Bars."

18. FAT Brands' other operating subsidiary, Buffalo's Franchise Concepts Inc. ("Buffalo Café"), accounted for another 19 locations. Founded in 1985 in Georgia and acquired by FAT Brands in 2011, Buffalo's Café's tagline is "*Where Everyone is Family.*" Like Fatburger, Buffalo's Café offers a casual dining restaurant experience, but with sit-down table service for its chicken wings and chicken tenders and various sauces, along with steaks and seafood, and bar service. Buffalo's Express, which is a smaller, fast-casual variant of Buffalo's Café, has a more limited menu of chicken wings, chicken

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1 tenders, and various sauces. FAT Brands has cobranded Buffalo's Express with Fatburger, including
2 offering burgers with various chicken wing sauces. At the time of the IPO, there were an additional 68
3 co-branded Buffalo's Express/Fatburger locations globally.

4 19. Concerning FAT Brands' post-IPO acquisition of Homestyle Dining LLC, which then
5 owned Ponderosa Franchising Company and Bonanza Restaurant Company ("Ponderosa & Bonanza"),
6 the Prospectus stated that those brands would "offer the quintessential American steakhouse experience,
7 for which there is strong and growing demand in international markets, particularly in Asia, the Middle
8 East, Europe and Central America." Ponderosa & Bonanza were established in 1965 and 1963,
9 respectively, and as of June 25, 2017, there were 100 Ponderosa and 20 Bonanza steakhousc restaurants
10 operating under franchise and sub-franchise agreements in 19 states in the United States, Canada,
11 Puerto Rico, the United Arab Emirates, Egypt, Qatar, Taiwan, and one company-owned Ponderosa
12 restaurant in the United States.

13 **FCCG's Development of FAT Brands**

14 20. On August 15, 2003, Beverly Hills-based FCCG completed a \$7 million investment and
15 financing package for Fatburger and would later acquire the rest of the Company in 2011. Defendant
16 Wiederhorn, who founded FCCG and is its majority shareholder, became Fatburger's CEO in 2006.
17 Wiederhorn continued to serve as FCCG's Chairman and CEO, as well as Fatburger's CEO and
18 President, through the time of the IPO.

19 21. Defendant Wiederhorn is a convicted felon. In 2004, defendant Wiederhorn pled guilty
20 to two felony charges, one for filing a false tax return and the other for paying an illegal bribe to Capital
21 Consultants – which lost approximately \$350 million in union pension money to fraudulent and failed
22 investments. FCCG dubbed Wiederhorn's resulting incarceration as a "leave of absence" and allowed
23 him to retain his seat on its board of directors while in prison. FCCG not only paid Wiederhorn his
24 \$350,000 salary while in prison, but also a \$2 million "leave-of-absence" bonus, the same amount he
25 was ordered to pay in restitution for his crimes.

26 22. After defendant Wiederhorn's appointment as CEO of Fatburger in 2006, Fatburger was
27 barred from selling additional franchises in California for several months due to Wiederhorn's prior
28 felony convictions.

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1 23. Indeed, upon Wiederhorn's release from prison in February 2006, FCCG attempted to
 2 add him to Fatburger's California franchisor registration as a director, but the California Department of
 3 Corporations ("DOC") rejected the post-effective amendment application. The DOC advised Fatburger
 4 to withdraw its application and cause Wiederhorn to resign from Fatburger, or its request for
 5 registration would be turned over to the DOC's Enforcement Division for an issuance of a stop order.
 6 Represented by the Jenkins & Gilchrist law firm, Wiederhorn and Fatburger responded that "there
 7 [were] many franchisors who continue[d] to be registered in California despite having pages of
 8 disclosures about concluded litigation holding them liable for fraud, embezzlement, fraudulent
 9 conversion, or misappropriation of property." But the DOC persisted, and in April 2006 issued its final
 10 answer, again stating it would deny Fatburger's franchisor application based on the fact and nature of
 11 Wiederhorn's convictions and that it would take action on April 20, 2006 if Fatburger did not meet the
 12 state's requirements. In response, Fatburger withdrew its application effective immediately, and also
 13 withdrew its entire California franchise registration, acknowledging that Fatburger was no longer
 14 registered and could not offer or sell franchises in California and, as a result, there was no need for them
 15 to issue a stop order. Fatburger was ultimately granted a Notice of Exemption, qualifying it as a large
 16 franchisor with no franchisor registration requirements in California.

17 24. On or about March 31, 2009, several Fatburger subsidiaries received notices of default
 18 and demand for payment from financier General Electric Capital Business Asset Funding Corp. ("GE").
 19 GE had loaned about \$3.85 million to the Fatburger companies and demanded payment by April 9,
 20 2009. Fatburger was unable to pay, and several Fatburger subsidiaries filed Chapter 11 bankruptcy on
 21 April 7, 2009 – including Fatburger Restaurants of California and Fatburger Restaurants of Nevada –
 22 which were later jointly administered in a single bankruptcy proceeding.

23 25. After the bankruptcy filing, the NASDAQ delisted FCCG common stock for failing to
 24 timely file its financial reports with the SEC. The approximately eight million shares of FCCG
 25 common stock then issued and outstanding as of March 10, 2010 became worthless.

26 26. In 2011, FCCG acquired the then-25 unit Buffalo's Café franchise brand concept and
 27 subsequently converted both the Fatburger and Buffalo's Café brands into a franchisor model. After the
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1 acquisition of Buffalo's Café, FCCG developed the Buffalo Express concept and rolled out scores of
2 cobranded Fatburger/Buffalo Express restaurants.

3 27. In March 2017, FCCG agreed to acquire Homestyle Dining LLC, the franchisor of the
4 Ponderosa & Bonanza restaurants, with the specific plan to use the forthcoming proceeds from the FAT
5 Brands IPO to fund that acquisition.

6 **FCCG's Pre- and Post-IPO Control of FAT Brands**

7 28. Prior to the IPO, FCCG owned all eight million shares of FAT Brands common stock
8 and controlled 100% of its voting power. FAT Brands was formed as a Delaware corporation on March
9 21, 2017 for the sole purpose of completing a public offering and related transactions and to acquire and
10 continue all the businesses then being conducted as subsidiaries of FCCG. In addition to defendant
11 Wiederhorn serving as President and CEO of FAT Brands and the Chairman and CEO of FCCG at the
12 time of the IPO, FAT Brands' CFO and Chief Controlling Officers are also affiliates and executives of
13 FCCG. Indeed, non-party Donald Berchtold is the father-in-law of defendant Wiederhorn, and
14 defendant Wiederhorn is the father of 29-year-old twin brothers, Thayer Wiederhorn and Taylor
15 Wiederhorn, who serve as FAT Brands' Chief Marketing Officer and Chief Development Officer,
16 respectively. The Wiederhorn family collectively owned 75% of FCCG at the time of the IPO.

17 29. FCCG, through defendants Wiederhorn, Roe and other FCCG affiliates, planned to
18 conduct FAT Brands' IPO as a Regulation A+, or "Reg A+," offering. Under Title IV of the 2015
19 Jumpstart Our Business Startups (JOBS) Act, a private company can raise money and go public vis-à-
20 vis a Reg A+ offering pursuant to a streamlined, expedited review process in which the company would
21 be required to make its offering memorandum public just 21 days before SEC qualification.

22 30. Defendants' plan for FAT Brands was to sell two million shares of the Company's
23 common stock through a Reg A+ offering for \$12 a share, raising \$24 million in gross proceeds, while
24 leaving FCCG's ownership of its eight million shares intact – now worth 80% of the total voting power
25 of FAT Brands. FAT Brands simultaneously planned to use \$10.55 million to purchase Ponderosa &
26 Bonanza and return \$9.5 million in its IPO proceeds to FCCG to repay debt. After the repayment of the
27 \$9.5 million, FAT Brands would assume the \$20.5 million debt obligation to FCCG, which would carry
28 a 10% interest rate and mature five years following the IPO.

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1 31. According to the Prospectus, FAT Brands intended to pay annual dividends of \$0.48 per
2 share, and with the IPO priced at \$12 per share, that equated to a 4% yield on the stock being sold in the
3 IPO. Defendant FCCG, as the Company's controlling shareholder, would receive the lion's share of
4 those stock dividends.

5 **THE MATERIALLY FALSE AND MISLEADING IPO DOCUMENTS**
6 **AND ROADSHOW DOCUMENTS**

7 32. On or about May 5, 2017, FAT Brands filed with the SEC its first draft registration
8 statement on Form 1-A (File No. 024-10737), which, following several amendments made in response
9 to comments received from the SEC, was declared qualified by the SEC on October 3, 2017 and utilized
10 for the IPO (the "Registration Statement"). The Registration Statement was either signed by each of the
11 Individual Defendants, or their names were listed therein as Director Nominees, at the direction of
12 FCCG. The Registration Statement included an Offering Circular that formed part of the Registration
13 Statement (collectively, the "Prospectus").

14 33. Beginning on or around August 3, 2017 (at the latest), utilizing the Prospectus,
15 defendants FAT Brands, the Executive Defendants and the Underwriter Defendant commenced a multi-
16 city roadshow to market FAT Brands common stock to the investing public, which they completed on
17 or about October 20, 2017, pricing the IPO at \$12 per share. Due to their rigorous marketing efforts,
18 defendants raised \$24 million through the sale of two million shares of FAT Brands common stock
19 during the IPO roadshow – leaving defendant FCCG with 80% of the Company's outstanding common
20 stock and the \$3.84 million in annual dividends that would be paid on those shares.

21 34. Mark Elenowitz, CEO of defendant TriPoint, told *Forbes* on October 23, 2017 that
22 "[t]he offering was very well received with \$64 million of interest – we had to decline \$40 million . . .
23 We built the broker-dealer syndicate of 21 members and we had to decline an additional 6 syndicate
24 members that wanted to join, but by then we were already oversubscribed." According to *Forbes*,
25 "[t]his level of over-subscription is a first for Reg A+," "mak[ing] the FAT Brands offering by far the
26 most successful Reg A+ to date for institutional engagement."

27 35. As part of the IPO roadshow, on or about September 19, 2017, defendants conducted a
28 live interactive online webinar, featured on VirtualInvestorConference.com, to promote FAT Brands'

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1 forthcoming offering. Defendant Wiederhorn and Mark Elenowitz, CEO of Underwriter Defendant
2 TriPoint, hosted the webinar and answered questions from potential investors about FAT Brands and
3 the offering. The webinar included a video presentation that contained material misstatements and
4 omissions that defendants participated in making.

5 36. During the webinar, defendant Wiederhorn discussed defendant FCCG's holdings in
6 FAT Brands and how FCCG would continue to hold at least 80% of the Company after the IPO. To
7 highlight this point, Wiederhorn showed a slide during the video presentation, entitled "Corporate
8 Organizational Structure," illustrating that following the IPO, FCCG would hold 80% of FAT Brands'
9 common stock and outside investors would hold 20% of the Company's common stock.

10 37. The images and statements communicated to investors that are referenced in ¶36 above
11 contained material misstatements and omissions as indicated. Indeed, what was not disclosed during
12 the webinar was that the combined Wiederhorn family's ownership of FCCG was actually 75%,
13 meaning the Wiederhorn family, not just FCCG, would be FAT Brands' controlling shareholder owners
14 following the IPO. Moreover, there was no disclosure that defendant Wiederhorn planned to merge
15 FCCG into FAT Brands in 2018 or 2019, effectively allowing him and his family to take FCCG public
16 without undertaking a formal IPO process.

17 38. Also during the webinar, defendant Wiederhorn touted FAT Brands' "asset-light
18 business model" and explained that the Company, as a franchisor, was not making significant capital
19 expenditures, thus maintaining an attractive free cash flow profile. To that end, Wiederhorn presented a
20 slide entitled "Asset-Light Business Model," which stated: "FAT Brands maintains an asset-light
21 business model, which allows for growth with minimal capital expenditures through franchising." The
22 slide highlighted (in bulletpoint form) the following purported benefits of FAT Brands' asset-light
23 business model:

- 24 • Revenues from (i) franchise fees and (ii) royalties
- 25 • Franchisor model enables scale with limited incremental overhead and minimal store-
- 26 level risk exposure
- 27 • Multi-brand approach allows efficient back office support to franchisees
- 28 • Business model drives strong profit margins and attractive free cash

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1 39. However, the images and statements communicated to investors that are referenced in
 2 ¶38 above contained material misstatements and omissions as indicated. There was no mention of the
 3 fact that FAT Brands’ then-present free cash flow was not enough to cover its outsized dividend, which,
 4 at \$0.48 per share annually, would cost the Company \$5 million to service. This was particularly
 5 critical because FAT Brands was assuming the \$20.5 million debt to FCCG as part of the IPO, thus
 6 increasing its leverage and thus debt servicing costs.

7 40. Toward the end of the webinar, defendant Wiederhorn and Elenowitz, on behalf of
 8 Underwrite Defendant TriPoint, fielded real-time questions from investors participating in the webinar.
 9 In response to the question “what is [FAT Brands’] EBITDA margin,” Wiederhorn stated “almost
 10 60%,” adding that the EBITDA margin is “very, very strong.” However, the reality was that both the
 11 Fatburger and Ponderosa & Bonanza brands were on track to report lower revenues in 2017 than they
 12 did in 2016, which meant that the combined company’s profit margins were on the decline at the time
 13 of the IPO. The lower margins, coupled with the increased new leverage, put the Company on course to
 14 report lower 2017 profits. This rendered the statements touting the Company’s “EBITDA margins”
 15 materially false and misleading, as sales growth for the existing brands’ stores had already plummeted
 16 and the Ponderosa & Bonanza acquisition would further diminish sales growth and profits.

17 41. Moreover, the Prospectus for the IPO was negligently prepared and, as a result,
 18 contained untrue statements of material facts or omitted to state other facts necessary to make the
 19 statements made not misleading and was not prepared in accordance with the rules and regulations
 20 governing its preparation.

21 42. Despite having reported achieving \$1.7 million in net income on \$4.3 million of revenue
 22 during the first six months of 2017 – a 40% net margin and an astounding 62% operating margin, which
 23 margins were used to price the shares sold in the IPO based on their future assumed profitability – with
 24 both the Fatburger and Ponderosa & Bonanza brands on track to report lower revenues in 2017 than
 25 they did in 2016, the combined company’s profit margins were on the decline at the time of the IPO,
 26 and that, coupled with the increased new leverage, put the Company on course to report lower 2017
 27 profits. This rendered statements in the Prospectus, such as “between 2012 and 2016, unadjusted for
 28 the acquisition of Ponderosa and Bonanza, the company achieved compound annual growth rates in net

1 revenue, net income, and EBITDA of 9.9%, 40.0% and 35.3%, respectively, reflecting consistent yearly
2 growth over this period,” materially false and misleading, as sales growth for the existing brands’ stores
3 had already plummeted, and the Ponderosa & Bonanza acquisition would further diminish sales growth
4 and profits.

5 43. After having agreed to pay \$10.55 million to acquire Ponderosa & Bonanza in March
6 2017, by October 2017, FAT Brands had received internal reports and data indicating that its revenues
7 were not growing anywhere near as robustly as projected by FCCG when negotiating the acquisition.

8 44. Although the Prospectus repeatedly referenced how FAT Brands’ “Capital Light
9 Business Model [Drove] High Free Cash Flow Conversion” by “requiring minimal capital
10 expenditures,” the Prospectus failed to disclose that FAT Brands’ then-present free cash flow was not
11 enough to cover its outsized dividend, which, at \$0.48 per share annually, would cost the Company \$5
12 million to service. This was particularly critical because FAT Brands was assuming the \$20.5 million
13 debt to FCCG as part of the IPO, thus increasing its leverage and thus debt servicing costs.

14 45. Furthermore, while the Prospectus represented that the “existing markets for Fatburger,
15 Buffalo’s Cafe, Buffalo’s Express, and Ponderosa and Bonanza locations are far from saturated and can
16 support a significant increase in units,” the reality at the time was that the “fast-casual” dining sector
17 was extremely saturated and the sector was facing significant headwinds and a slowdown in growth.
18 By 2017, fast-casual sales growth in the United States had slowed to around 6%, compared to 8%
19 growth in 2016, and between 10%-11% growth in each of the prior five years. A number of notable
20 fast-casual dining concepts posted significant losses during this time, leading some businesses to close
21 locations (including Qdoba, Pie Five, Noodles & Co., and Pollo Tropical), and others to file for
22 bankruptcy (Cosi, Rita Restaurant Corp., and Garden Fresh Corp.). One of the principal reasons for this
23 slowdown in growth was that customers were much more reluctant to spend their money on trendy fast-
24 casual restaurant concepts and instead preferred cheaper and quicker dining options, including
25 traditional fast-food chains.

26 46. Also, while the Prospectus disclosed that “[i]n October 2015, [defendant] Rensi filed for
27 protection under Chapter 11 of the Federal Bankruptcy Code,” and that “in November 1998, [the former
28 employer of defendant Wiederhorn and his father-in-law, now FAT Brands’ COO] underwent a pre-

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1 48. The Prospectus further stated that FCCG would “remain a significant stockholder” in
 2 FAT Brands following the IPO and that so long as FCCG continued to own at least 80% of FAT
 3 Brands, the two companies would file joint tax returns, with FCCG receiving any tax savings on the
 4 part of FAT Brands resulting from the combined filings (including as a result of FCCG’s net operation
 5 losses (“NOLs”). In reality, however, defendant Wiederhorn intends to merge FCCG into FAT Brands
 6 in 2018 or 2019, effectively allowing him and his family to take FCCG public without undertaking a
 7 formal IPO process. This was particularly one-sided for FCCG, since it sold all of its assets to FAT
 8 Brands in connection with the IPO for \$30 million (in debt), while only \$24 million was being raised in
 9 the IPO, demonstrating that FCCG already took \$6.5 million in shareholder equity out through the IPO-
 10 related transactions.

11 49. The planned merger of FCCG into FAT Brands also obliterates the barrier in place at the
 12 time of the IPO that prevented FAT Brands from diluting shareholders by issuing additional common
 13 stock (and thus reducing FCCG’s ownership down from 80%), because merging FCCG into FAT
 14 Brands will permit the former to contribute its NOLs for use by the latter. Nonetheless, the Prospectus
 15 expressly stated that “[b]eneficial ownership of at least 80% of the total voting power and value of our
 16 capital stock *is required* in order for FCCG to continue to include us in its consolidated group for
 17 federal income tax purposes,” and that “[i]t [was] the present intention of FCCG to continue to file a
 18 single consolidated federal income tax return with its eligible subsidiaries” following the IPO. That,
 19 combined with the “NOL Protective Provisions” in the Company’s amended and restated certificate of
 20 incorporation and bylaws, which the Prospectus explained were “intended to prevent certain future
 21 transfers of . . . capital stock which could adversely affect the ability of FCCG and [FAT Brands] to use
 22 FCCG’s tax net operating loss carryforwards (‘NOLs’) for federal and state income tax purposes and
 23 certain income tax credits,” created a reasonable expectation that defendants were not intending to
 24 merge FCCG into FAT Brands at the time of the IPO.

25 50. Defendant FCCG and the Wiederhorn family alone knew at the time of the IPO the
 26 amount of NOLs that FCCG then maintained – and they alone then knew how the impending 2018 tax
 27 bill, which had been unveiled in September 2017, would devalue those NOLs, reducing the value of the
 28 NOLs, and FCCG’s and the Wiederhorn family’s incentive to keep FCCG and FAT Brands separate.

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1 lower than FCCG had presumed when it negotiated to pay \$10.55 million for the franchising rights in
2 March 2017. The adverse events and uncertainties associated with these negative trends were
3 reasonably likely to have a material impact on FAT Brands' profitability and, therefore, were required
4 to be disclosed in the Prospectus, but were not.

5 53. The IPO was successful for the Company and the Underwriters Defendant who sold two
6 million shares of FAT Brands common stock to the investing public at \$12 per share, raising \$24
7 million in gross proceeds (\$22.2 million net of underwriting fees and IPO costs).

8 54. The price of FAT Brands common stock later plummeted as the market learned the truth
9 about FAT Brands' business metrics and financial prospects at the time of its IPO. FAT Brands stock
10 now trades at approximately \$7 per share, down more than 40% from the price the stock was sold at in
11 the IPO.

12 **CLASS ACTION ALLEGATIONS**

13 55. Plaintiff brings this action as a class action on behalf of all those who purchased FAT
14 Brands common stock pursuant to the Prospectus issued in connection with the IPO (the "Class").
15 Excluded from the Class are defendants and their families, the officers, directors and affiliates of
16 defendants, at all relevant times, members of their immediate families and their legal representatives,
17 heirs, successors or assigns and any entity in which defendants have or had a controlling interest.

18 56. The members of the Class are so numerous that joinder of all members is impracticable.
19 While the exact number of Class members is unknown to plaintiff at this time and can only be
20 ascertained through appropriate discovery, plaintiff believes that there are hundreds of members in the
21 proposed Class. Record owners and other members of the Class may be identified from records
22 maintained by FAT Brands or its transfer agent and may be notified of the pendency of this action by
23 mail, using the form of notice similar to that customarily used in securities class actions.

24 57. Plaintiff's claims are typical of the claims of the members of the Class, as all members of
25 the Class are similarly affected by defendants' wrongful conduct in violation of the federal law that is
26 complained of herein.

27 58. Plaintiff will fairly and adequately protect the interests of the members of the Class and
28 has retained counsel competent and experienced in class and securities litigation.

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1 59. Common questions of law and fact exist as to all members of the Class and predominate
2 over any questions solely affecting individual members of the Class. Among the questions of law and
3 fact common to the Class are:

- 4 (a) whether defendants violated the 1933 Act;
- 5 (b) whether statements made by defendants to the investing public in the Prospectus
6 and during the roadshow misrepresented material facts about the business and operations of FAT
7 Brands; and
- 8 (c) to what extent the members of the Class have sustained damages and the proper
9 measure of damages.

10 60. A class action is superior to all other available methods for the fair and efficient
11 adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the
12 damages suffered by individual Class members may be relatively small, the expense and burden of
13 individual litigation make it impossible for members of the Class to individually redress the wrongs
14 done to them. There will be no difficulty in the management of this action as a class action.

15 **FIRST CAUSE OF ACTION**

16 **For Violation of §12(a)(2) of the 1933 Act Against**
17 **Defendants FAT Brands, FCCG, the Executive Defendants and**
18 **the Underwriter Defendant**

19 61. Plaintiff incorporates ¶¶1-60 by reference.

20 62. By means of the defective Prospectus and other statements made in connection with the
21 roadshow, defendants FAT Brands, FCCG, the Executive Defendants and the Underwriter Defendant
22 promoted and sold FAT Brands stock to plaintiff and other members of the Class.

23 63. The Prospectus and roadshow contained untrue statements of material fact, and/or
24 concealed or failed to disclose material facts, as detailed above. These defendants owed plaintiff and
25 the other members of the Class who purchased FAT Brands common stock pursuant to the Prospectus
26 the duty to make a reasonable and diligent investigation of the statements contained in the Prospectus to
27 ensure that such statements were true and that there was no omission to state a material fact required to
28 be stated in order to make the statements contained therein not misleading. These defendants, in the

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1 exercise of reasonable care, should have known of the misstatements and omissions contained in the
2 Prospectus as set forth above.

3 64. Plaintiff did not know, nor in the exercise of reasonable diligence could plaintiff have
4 known, of the untruths and omissions contained in the Prospectus and roadshow videos at the time
5 plaintiff acquired FAT Brands common stock.

6 65. By reason of the conduct alleged herein, each of the defendants named in this Cause of
7 Action violated §12(a)(2) of the 1933 Act. As a direct and proximate result of such violations, plaintiff
8 and the other members of the Class who purchased FAT Brands common stock pursuant to the
9 Prospectus sustained substantial damages in connection with their purchases of FAT Brands stock.
10 Accordingly, plaintiff and the other members of the Class who hold the common stock issued pursuant
11 to the Prospectus have the right to rescind and recover the consideration paid for their shares, and
12 hereby tender their common stock to the defendants sued herein. Class members who have sold their
13 common stock seek damages to the extent permitted by law.

14 **SECOND CAUSE OF ACTION**

15 **For Violation of §15 of the 1933 Act**
16 **Against FAT Brands, FCCG and the Individual Defendants**

17 66. Plaintiff incorporates ¶¶1-65 by reference.

18 67. This Cause of Action is brought pursuant to §15 of the 1933 Act against defendants FAT
19 Brands, FCCG and the Individual Defendants.

20 68. The Individual Defendants each were control persons of FAT Brands by virtue of their
21 positions as directors and/or senior officers of FAT Brands. Each of these defendants had the ability to
22 influence the policies and management of FAT Brands by their voting and control over statements made
23 by FAT Brands in the Prospectus. The Individual Defendants also each had a series of direct and/or
24 indirect business and/or personal relationships with other directors and/or officers and/or major
25 shareholders of FAT Brands. FAT Brands controlled the Individual Defendants and all of its
26 employees.

27 69. The Individual Defendants had a financial interest in taking the Company's stock public
28 in order to increase the holding value and marketability of their investment as identified above at ¶¶6-

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1 10. Defendants FCCG and Wiederhorn, in particular, had strong motives to undertake the IPO as
 2 FCCG owns eight million shares of FAT Brands common stock now subject to a \$0.48 annual dividend
 3 and defendant Wiederhorn's family owns 75% of FCCG. Essentially, the IPO buttressed the cash
 4 spigot now flowing cash returns to FCCG and Wiederhorn. Defendants concede in the IPO Prospectus
 5 both that FAT Brands was at the time of its IPO and would remain following the IPO a "controlled
 6 company," and that "[t]he stockholders of FCCG, including Mr. Wiederhorn, will indirectly benefit
 7 from the proceeds of this Offering." Defendant FAT Brands and the Individual Defendants were each
 8 critical to effecting the IPO, based on their authorization of the filing of the Registration Statement, by
 9 voting (including voting their shares) to execute the IPO, and by having otherwise directed through their
 10 authority the processes leading to execution of the IPO.

11 **PRAYER FOR RELIEF**

12 WHEREFORE, plaintiff prays for relief and judgment, as follows:

- 13 A. Determining that this action is a proper class action, certifying plaintiff as a Class
 14 representative under California Code of Civil Procedure §382 and Rule 3.764 of the California Rules of
 15 Court and appointing plaintiff's counsel as Class counsel;
- 16 B. Awarding compensatory damages in favor of plaintiff and the other Class members
 17 against all defendants, jointly and severally, for all damages sustained as a result of defendants'
 18 wrongdoing, in an amount to be proven at trial, including interest thereon;
- 19 C. Awarding plaintiff and the Class their reasonable costs and expenses incurred in this
 20 action, including counsel fees and expert fees;
- 21 D. Awarding rescission or a rescissory measure of damages; and
- 22 E. Such equitable/injunctive or other relief as deemed appropriate by the Court.

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JURY DEMAND

Plaintiff hereby demands a trial by jury.

DATED: June 7, 2018

ROBBINS GELLER RUDMAN
& DOWD LLP
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Attorneys for Plaintiff

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ORIGINAL

CM-010

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address): James I. Jaconette (179565) Robbins Geller Rudman & Dowd LLP 655 West Broadway, Suite 1900 San Diego, CA 92101 TELEPHONE NO.: 619/231-1058 FAX NO.: 619/231-7423		FOR COURT USE ONLY FILED Superior Court of California County of Los Angeles JUN 07 2018 Sherri R. Carter, CLERK OF COURT By <u>Beth Smith</u> Deputy Beth Smith
ATTORNEY FOR (Name): Plaintiff Eric Rojany		
SUPERIOR COURT OF CALIFORNIA, COUNTY OF Los Angeles STREET ADDRESS: 111 North Hill Street MAILING ADDRESS: CITY AND ZIP CODE: Los Angeles, CA 90012 BRANCH NAME: Stanley Mosk Courthouse		CASE NUMBER: BC 708539 JUDGE: DEPT:
CASE NAME: Rojany v. FAT Brands Inc., et al.		
CIVIL CASE COVER SHEET <input checked="" type="checkbox"/> Unlimited (Amount demanded exceeds \$25,000)	<input type="checkbox"/> Limited (Amount demanded is \$25,000 or less)	Complex Case Designation <input type="checkbox"/> Counter <input type="checkbox"/> Joinder Filed with first appearance by defendant (Cal. Rules of Court, rule 3.402)

Items 1-6 below must be completed (see instructions on page 2).

1. Check one box below for the case type that best describes this case:

Auto Tort <input type="checkbox"/> Auto (22) <input type="checkbox"/> Uninsured motorist (46)	Contract <input type="checkbox"/> Breach of contract/warranty (06) <input type="checkbox"/> Rule 3.740 collections (09) <input type="checkbox"/> Other collections (09) <input type="checkbox"/> Insurance coverage (18) <input type="checkbox"/> Other contract (37)	Provisionally Complex Civil Litigation (Cal. Rules of Court, rules 3.400-3.403) <input type="checkbox"/> Antitrust/Trade regulation (03) <input type="checkbox"/> Construction defect (10) <input type="checkbox"/> Mass tort (40) <input checked="" type="checkbox"/> Securities litigation (28) <input type="checkbox"/> Environmental/Toxic tort (30) <input type="checkbox"/> Insurance coverage claims arising from the above listed provisionally complex case types (41)
Other P/IPD/W/D (Personal Injury/Property Damage/Wrongful Death) Tort <input type="checkbox"/> Asbestos (04) <input type="checkbox"/> Product liability (24) <input type="checkbox"/> Medical malpractice (45) <input type="checkbox"/> Other P/IPD/W/D (23)	Real Property <input type="checkbox"/> Eminent domain/Inverse condemnation (14) <input type="checkbox"/> Wrongful eviction (33) <input type="checkbox"/> Other real property (26)	Enforcement of Judgment <input type="checkbox"/> Enforcement of judgment (20)
Non-P/IPD/W/D (Other) Tort <input type="checkbox"/> Business tort/unfair business practice (07) <input type="checkbox"/> Civil rights (08) <input type="checkbox"/> Defamation (13) <input type="checkbox"/> Fraud (16) <input type="checkbox"/> Intellectual property (19) <input type="checkbox"/> Professional negligence (25) <input type="checkbox"/> Other non-P/IPD/W/D tort (35)	Unlawful Detainer <input type="checkbox"/> Commercial (31) <input type="checkbox"/> Residential (32) <input type="checkbox"/> Drugs (38)	Miscellaneous Civil Complaint <input type="checkbox"/> RICO (27) <input type="checkbox"/> Other complaint (not specified above) (42)
Employment <input type="checkbox"/> Wrongful termination (36) <input type="checkbox"/> Other employment (15)	Judicial Review <input type="checkbox"/> Asset forfeiture (05) <input type="checkbox"/> Petition re: arbitration award (11) <input type="checkbox"/> Writ of mandate (02) <input type="checkbox"/> Other judicial review (39)	Miscellaneous Civil Petition <input type="checkbox"/> Partnership and corporate governance (21) <input type="checkbox"/> Other petition (not specified above) (43)

2. This case is is not complex under rule 3.400 of the California Rules of Court. If the case is complex, mark the factors requiring exceptional judicial management:

a. <input checked="" type="checkbox"/> Large number of separately represented parties	d. <input checked="" type="checkbox"/> Large number of witnesses
b. <input checked="" type="checkbox"/> Extensive motion practice raising difficult or novel issues that will be time-consuming to resolve	e. <input type="checkbox"/> Coordination with related actions pending in one or more courts in other counties, states, or countries, or in a federal court
c. <input checked="" type="checkbox"/> Substantial amount of documentary evidence	f. <input type="checkbox"/> Substantial postjudgment judicial supervision

3. Remedies sought (check all that apply): a. monetary b. nonmonetary, declaratory or injunctive relief c. punitive

4. Number of causes of action (specify): Two

5. This case is is not a class action suit.

6. If there are any known related cases, file and serve a notice of related case. (You may use form CM-015.)

Date: June 7, 2018

James I. Jaconette

(TYPE OR PRINT NAME)

(SIGNATURE OF PARTY OR ATTORNEY FOR PARTY)

NOTICE

- Plaintiff must file this cover sheet with the first paper filed in the action or proceeding (except small claims cases or cases filed under the Probate Code, Family Code, or Welfare and Institutions Code). (Cal. Rules of Court, rule 3.220.) Failure to file may result in sanctions.
- File this cover sheet in addition to any cover sheet required by local court rule.
- If this case is complex under rule 3.400 et seq. of the California Rules of Court, you must serve a copy of this cover sheet on all other parties to the action or proceeding.
- Unless this is a collections case under rule 3.740 or a complex case, this cover sheet will be used for statistical purposes only.

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FAKED

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INSTRUCTIONS ON HOW TO COMPLETE THE COVER SHEET

To Plaintiffs and Others Filing First Papers. If you are filing a first paper (for example, a complaint) in a civil case, you must complete and file, along with your first paper, the Civil Case Cover Sheet contained on page 1. This information will be used to compile statistics about the types and numbers of cases filed. You must complete items 1 through 6 on the sheet. In item 1, you must check one box for the case type that best describes the case. If the case fits both a general and a more specific type of case listed in item 1, check the more specific one. If the case has multiple causes of action, check the box that best indicates the primary cause of action. To assist you in completing the sheet, examples of the cases that belong under each case type in item 1 are provided below. A cover sheet must be filed only with your initial paper. Failure to file a cover sheet with the first paper filed in a civil case may subject a party, its counsel, or both to sanctions under rules 2.30 and 3.220 of the California Rules of Court.

To Parties in Rule 3.740 Collections Cases. A "collections case" under rule 3.740 is defined as an action for recovery of money owed in a sum stated to be certain that is not more than \$25,000, exclusive of interest and attorney's fees, arising from a transaction in which property, services, or money was acquired on credit. A collections case does not include an action seeking the following: (1) tort damages, (2) punitive damages, (3) recovery of real property, (4) recovery of personal property, or (5) a prejudgment writ of attachment. The identification of a case as a rule 3.740 collections case on this form means that it will be exempt from the general time-for-service requirements and case management rules, unless a defendant files a responsive pleading. A rule 3.740 collections case will be subject to the requirements for service and obtaining a judgment in rule 3.740.

To Parties in Complex Cases. In complex cases only, parties must also use the Civil Case Cover Sheet to designate whether the case is complex. If a plaintiff believes the case is complex under rule 3.400 of the California Rules of Court, this must be indicated by completing the appropriate boxes in items 1 and 2. If a plaintiff designates a case as complex, the cover sheet must be served with the complaint on all parties to the action. A defendant may file and serve no later than the time of its first appearance a joinder in the plaintiff's designation, a counter-designation that the case is not complex, or, if the plaintiff has made no designation, a designation that the case is complex.

CASE TYPES AND EXAMPLES

Table with 3 columns: Auto Tort, Contract, and Provisionally Complex Civil Litigation (Cal. Rules of Court Rules 3.400-3.403). It lists various legal categories and their corresponding case numbers, such as 'Breach of Contract/Warranty (06)', 'Real Property', and 'Miscellaneous Civil Complaint'.

ORIGINAL

SHORT TITLE: **Rojany v. FAT Brands Inc., et al.**

CASE NUMBER **BC 708539**

CIVIL CASE COVER SHEET ADDENDUM AND STATEMENT OF LOCATION (CERTIFICATE OF GROUNDS FOR ASSIGNMENT TO COURTHOUSE LOCATION)

This form is required pursuant to Local Rule 2.3 in all new civil case filings in the Los Angeles Superior Court.

Step 1: After completing the Civil Case Cover Sheet (Judicial Council form CM-010), find the exact case type in Column A that corresponds to the case type indicated in the Civil Case Cover Sheet.

Step 2: In Column B, check the box for the type of action that best describes the nature of the case.

Step 3: In Column C, circle the number which explains the reason for the court filing location you have chosen.

Applicable Reasons for Choosing Court Filing Location (Column C)

- 1. Class actions must be filed in the Stanley Mosk Courthouse, Central District.
- 2. Permissive filing in central district.
- 3. Location where cause of action arose.
- 4. Mandatory personal injury filing in North District.
- 5. Location where performance required or defendant resides.
- 6. Location of property or permanently garaged vehicle.
- 7. Location where petitioner resides.
- 8. Location wherein defendant/respondent functions wholly.
- 9. Location where one or more of the parties reside.
- 10. Location of Labor Commissioner Office.
- 11. Mandatory filing location (Hub Cases – unlawful detainer, limited non-collection, limited collection, or personal injury).

FAKED

Auto Tort
Other Personal Injury/Property Damage/Wrongful Death Tort

A Civil Case Cover Sheet Category No.	B Type of Action (Check only one)	C Applicable Reasons - See Step 3 Above
Auto (22)	<input type="checkbox"/> A7100 Motor Vehicle - Personal Injury/Property Damage/Wrongful Death	1, 4, 11
Uninsured Motorist (46)	<input type="checkbox"/> A7110 Personal Injury/Property Damage/Wrongful Death - Uninsured Motorist	1, 4, 11
Asbestos (04)	<input type="checkbox"/> A6070 Asbestos Property Damage	1, 11
	<input type="checkbox"/> A7221 Asbestos - Personal Injury/Wrongful Death	1, 11
Product Liability (24)	<input type="checkbox"/> A7260 Product Liability (not asbestos or toxic/environmental)	1, 4, 11
Medical Malpractice (45)	<input type="checkbox"/> A7210 Medical Malpractice - Physicians & Surgeons	1, 4, 11
	<input type="checkbox"/> A7240 Other Professional Health Care Malpractice	1, 4, 11
Other Personal Injury/Property Damage/Wrongful Death (23)	<input type="checkbox"/> A7250 Premises Liability (e.g., slip and fall)	1, 4, 11
	<input type="checkbox"/> A7230 Intentional Bodily Injury/Property Damage/Wrongful Death (e.g., assault, vandalism, etc.)	1, 4, 11
	<input type="checkbox"/> A7270 Intentional Infliction of Emotional Distress	1, 4, 11
	<input type="checkbox"/> A7220 Other Personal Injury/Property Damage/Wrongful Death	1, 4, 11

SHORT TITLE: Rojany v. FAT Brands Inc., et al.	CASE NUMBER
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	A Civil Case Cover Sheet Category No.	B Type of Action (Check only one)	C Applicable Reasons - See Step 3 Above
Non-Personal Injury/ Property Damage/ Wrongful Death Tort	Business Tort (07)	<input type="checkbox"/> A6029 Other Commercial/Business Tort (not fraud/breach of contract)	1, 2, 3
	Civil Rights (08)	<input type="checkbox"/> A6005 Civil Rights/Discrimination	1, 2, 3
	Defamation (13)	<input type="checkbox"/> A6010 Defamation (slander/libel)	1, 2, 3
	Fraud (16)	<input type="checkbox"/> A6013 Fraud (no contract)	1, 2, 3
	Professional Negligence (25)	<input type="checkbox"/> A6017 Legal Malpractice	1, 2, 3
		<input type="checkbox"/> A6050 Other Professional Malpractice (not medical or legal)	1, 2, 3
Other (35)	<input type="checkbox"/> A6025 Other Non-Personal Injury/Property Damage tort	1, 2, 3	
Employment	Wrongful Termination (36)	<input type="checkbox"/> A6037 Wrongful Termination	1, 2, 3
	Other Employment (15)	<input type="checkbox"/> A6024 Other Employment Complaint Case	1, 2, 3
		<input type="checkbox"/> A6109 Labor Commissioner Appeals	10
Contract	Breach of Contract/ Warranty (06) (not insurance)	<input type="checkbox"/> A6004 Breach of Rental/Lease Contract (not unlawful detainer or wrongful eviction)	2, 5
		<input type="checkbox"/> A6008 Contract/Warranty Breach -Seller Plaintiff (no fraud/negligence)	2, 5
		<input type="checkbox"/> A6019 Negligent Breach of Contract/Warranty (no fraud)	1, 2, 5
		<input type="checkbox"/> A6028 Other Breach of Contract/Warranty (not fraud or negligence)	1, 2, 5
	Collections (09)	<input type="checkbox"/> A6002 Collections Case-Seller Plaintiff	5, 6, 11
		<input type="checkbox"/> A6012 Other Promissory Note/Collections Case	5, 11
Insurance Coverage (18)	<input type="checkbox"/> A6034 Collections Case-Purchased Debt (Charged Off Consumer Debt -Purchased on or after January 1, 2014)	5, 6, 11	
	<input type="checkbox"/> A6015 Insurance Coverage (not complex)	1, 2, 5, 8	
Other Contract (37)	<input type="checkbox"/> A6009 Contractual Fraud	1, 2, 3, 5	
	<input type="checkbox"/> A6031 Tortious Interference	1, 2, 3, 5	
	<input type="checkbox"/> A6027 Other Contract Dispute(not breach/insurance/fraud/negligence)	1, 2, 3, 8, 9	
Real Property	Eminent Domain/Inverse Condemnation (14)	<input type="checkbox"/> A7300 Eminent Domain/Condemnation Number of parcels _____	2, 6
	Wrongful Eviction (33)	<input type="checkbox"/> A6023 Wrongful Eviction Case	2, 6
	Other Real Property (26)	<input type="checkbox"/> A6018 Mortgage Foreclosure	2, 6
<input type="checkbox"/> A6032 Quiet Title		2, 6	
<input type="checkbox"/> A6060 Other Real Property (not eminent domain, landlord/tenant, foreclosure)		2, 6	
Unlawful Detainer	Unlawful Detainer-Commercial (31)	<input type="checkbox"/> A6021 Unlawful Detainer-Commercial (not drugs or wrongful eviction)	6, 11
	Unlawful Detainer-Residential (32)	<input type="checkbox"/> A6020 Unlawful Detainer-Residential (not drugs or wrongful eviction)	6, 11
	Unlawful Detainer-Post-Foreclosure (34)	<input type="checkbox"/> A6020F Unlawful Detainer-Post-Foreclosure	2, 6, 11
	Unlawful Detainer-Drugs (38)	<input type="checkbox"/> A6022 Unlawful Detainer-Drugs	2, 6, 11

LACIV 109 (Rev 2/16)
LASC Approved 03-04

**CIVIL CASE COVER SHEET ADDENDUM
AND STATEMENT OF LOCATION**

Local Rule 2.3
Page 2 of 4

05/20/2016

SHORT TITLE: Rojany v. FAT Brands Inc., et al.	CASE NUMBER
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	A Civil Case Cover Sheet Category No.	B Type of Action (Check only one)	C Applicable Reasons - See Step 3 Above
Judicial Review	Asset Forfeiture (05)	<input type="checkbox"/> A6108 Asset Forfeiture Case	2, 3, 6
	Petition re Arbitration (11)	<input type="checkbox"/> A6115 Petition to Compel/Confirm/Vacate Arbitration	2, 5
	Writ of Mandate (02)	<input type="checkbox"/> A6151 Writ - Administrative Mandamus	2, 8
		<input type="checkbox"/> A6152 Writ - Mandamus on Limited Court Case Matter	2
<input type="checkbox"/> A6153 Writ - Other Limited Court Case Review		2	
Other Judicial Review (39)	<input type="checkbox"/> A6150 Other Writ /Judicial Review	2, 8	
Provisionally Complex Litigation	Antitrust/Trade Regulation (03)	<input type="checkbox"/> A6003 Antitrust/Trade Regulation	1, 2, 8
	Construction Defect (10)	<input type="checkbox"/> A6007 Construction Defect	1, 2, 3
	Claims Involving Mass Tort (40)	<input type="checkbox"/> A6006 Claims Involving Mass Tort	1, 2, 8
	Securities Litigation (28)	<input checked="" type="checkbox"/> A6035 Securities Litigation Case	① 2, 8
	Toxic Tort Environmental (30)	<input type="checkbox"/> A6036 Toxic Tort/Environmental	1, 2, 3, 8
	Insurance Coverage Claims from Complex Case (41)	<input type="checkbox"/> A6014 Insurance Coverage/Subrogation (complex case only)	1, 2, 5, 8
Enforcement of Judgment	Enforcement of Judgment (20)	<input type="checkbox"/> A6141 Sister State Judgment	2, 5, 11
		<input type="checkbox"/> A6160 Abstract of Judgment	2, 6
		<input type="checkbox"/> A6107 Confession of Judgment (non-domestic relations)	2, 9
		<input type="checkbox"/> A6140 Administrative Agency Award (not unpaid taxes)	2, 8
		<input type="checkbox"/> A6114 Petition/Certificate for Entry of Judgment on Unpaid Tax	2, 8
		<input type="checkbox"/> A6112 Other Enforcement of Judgment Case	2, 8, 9
RICO (27)	<input type="checkbox"/> A6033 Racketeering (RICO) Case	1, 2, 8	
Miscellaneous Civil Complaints	Other Complaints (Not Specified Above) (42)	<input type="checkbox"/> A6030 Declaratory Relief Only	1, 2, 8
		<input type="checkbox"/> A6040 Injunctive Relief Only (not domestic/harassment)	2, 8
		<input type="checkbox"/> A6011 Other Commercial Complaint Case (non-tort/non-complex)	1, 2, 8
		<input type="checkbox"/> A6000 Other Civil Complaint (non-tort/non-complex)	1, 2, 8
Partnership Corporation Governance (21)	<input type="checkbox"/> A6113 Partnership and Corporate Governance Case	2, 8	
Miscellaneous Civil Petitions	Other Petitions (Not Specified Above) (43)	<input type="checkbox"/> A6121 Civil Harassment	2, 3, 9
		<input type="checkbox"/> A6123 Workplace Harassment	2, 3, 9
		<input type="checkbox"/> A6124 Elder/Dependent Adult Abuse Case	2, 3, 9
		<input type="checkbox"/> A6190 Election Contest	2
		<input type="checkbox"/> A6110 Petition for Change of Name/Change of Gender	2, 7
		<input type="checkbox"/> A6170 Petition for Relief from Late Claim Law	2, 3, 8
		<input type="checkbox"/> A6100 Other Civil Petition	2, 9

03/08/2016

SHORT TITLE: Rojany v. FAT Brands Inc., et al.	CASE NUMBER
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Step 4: Statement of Reason and Address: Check the appropriate boxes for the numbers shown under Column C for the type of action that you have selected. Enter the address which is the basis for the filing location, including zip code. (No address required for class action cases).

REASON: <input checked="" type="checkbox"/> 1. <input type="checkbox"/> 2. <input type="checkbox"/> 3. <input type="checkbox"/> 4. <input type="checkbox"/> 5. <input type="checkbox"/> 6. <input type="checkbox"/> 7. <input type="checkbox"/> 8. <input type="checkbox"/> 9. <input type="checkbox"/> 10. <input type="checkbox"/> 11.		ADDRESS: 9720 Wilshire Blvd., Suite 500
CITY: Beverly Hills	STATE: CA	ZIP CODE: 90212

Step 5: Certification of Assignment: I certify that this case is properly filed in the Central District of the Superior Court of California, County of Los Angeles [Code Civ. Proc., §392 et seq., and Local Rule 2.3(a)(1)(E)].

Dated: June 7, 2018



 (SIGNATURE OF ATTORNEY FILING PARTY)

PLEASE HAVE THE FOLLOWING ITEMS COMPLETED AND READY TO BE FILED IN ORDER TO PROPERLY COMMENCE YOUR NEW COURT CASE:

1. Original Complaint or Petition.
2. If filing a Complaint, a completed Summons form for issuance by the Clerk.
3. Civil Case Cover Sheet, Judicial Council form CM-010.
4. Civil Case Cover Sheet Addendum and Statement of Location form, LACIV 109, LASC Approved 03-04 (Rev. 02/16).
5. Payment in full of the filing fee, unless there is court order for waiver, partial or scheduled payments.
6. A signed order appointing the Guardian ad Litem, Judicial Council form CIV-010, if the plaintiff or petitioner is a minor under 18 years of age will be required by Court in order to issue a summons.
7. Additional copies of documents to be conformed by the Clerk. Copies of the cover sheet and this addendum must be served along with the summons and complaint, or other initiating pleading in the case.

06/08/2018