

Investment Banking Update

NOT DISCLOSED

September 5, 2019



Holdings, LLC

has been acquired by



The undersigned served as exclusive financial advisor to QK Holdings, LLC

Stephens Inc.

Transaction Details

- On September 5, 2019, QK Holdings, LLC, completed the sale of its 94 Denny's locations to WKS Restaurant Group for an undisclosed amount.
- Headquartered in Phoenix, AZ, QK Holdings, LLC is the largest Denny's franchisee with 94 Denny's locations and 9 Del Taco locations. The Company was founded in 1990 by CEO Doug Koch and Robbie Qualls, both of whom began their careers at Denny's as dishwashers over 40 years ago.
- Largest shareholder CEO Doug Koch, minority shareholder group led by Seacoast Capital and Cave Creek Capital Management, COO Dennis Ekstrom, and the estate of founder Robbie Qualls were sellers in the transaction.
- Stephens Inc. served as exclusive financial advisor to QK Holdings, LLC.

QK Holdings

QK Holdings was founded in 1990 by Doug Koch, the current CEO and Robbie Qualls, who began their careers at Denny's as dishwashers over 40 years ago. Since its founding the Company has grown to become a large multi-concept operator with 103 restaurants in the Denny's and Del Taco systems.

Seacoast Capital

Founded in 1994, with offices in Boston, MA and San Francisco, CA, Seacoast Capital invests non-control growth capital in partnership with management in lower middle market companies. Seacoast is industry agnostic and typically invests \$5 million to \$25 million of capital in companies with \$10 million or more in revenue and \$2 million or more of EBITDA. Since its inception, Seacoast has managed over \$600 million of capital, which the firm has invested in 76 non-controlling transactions. Now managing its fourth fund, the firm continues to actively seek new investment opportunities.

Cave Creek Capital Management

Cave Creek Capital tailors its investments to meet the needs of Entrepreneurs seeking long term, patient capital. The Investment Team members average over 25 years of experience as both operating executives and private equity fund managers. Each Partner works with a small number of companies and commits the necessary time, talent and personal capital to ensure their success. Cave Creek Capital's approach has the flexibility of a family office, the talent of a major firm and offers a much wider range of capital solutions than traditional private equity funds. Cave Creek Capital does not require control and can invest in both equity and debt. The firm also has no structural deadlines to meet which enables them to be patient investors and focus on long term growth. This strategy has enabled the management partners to achieve leadership in their markets and generate exceptional growth and returns.

WKS Restaurant Group

Founded in 1987 and headquartered in Cypress, California, WKS Restaurant Group is a family-owned, multi-concept operator of six iconic brands. WKS is a licensed franchisee of El Pollo Loco, Wendy's, Denny's, Krispy Kreme Doughnuts, Blaze Pizza and Corner Bakery Café restaurants.

Sources: the Companies.

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