CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

MATCHBOX FOOD GROUP, LLC

A Washington, DC Limited Liability Company

MAXIMUM OF $10,500,000, NO MINIMUM

10.125% Subordinated 7 Year Notes
A Private Offering of 2,100 Notes
Purchase Price: $5,000 per Note
Minimum Purchase: $5,000
Accredited Investors Only

THESE SECURITIES INVOLVE A HIGH DEGREE OF RISK. **See RISK FACTORS** for information regarding **MATCHBOX** FOOD GROUP, LLC's operating history, capital needs and other risk factors to be considered by investors prior to subscribing for the Notes.

MATCHBOX FOOD GROUP, LLC (the "Company" or "**MATCHBOX** FOOD GROUP, LLC"), a Washington, DC limited liability company, is hereby privately offering (the "Offering") subordinated promissory notes representing unsecured debt in the Company ("Notes") to accredited investors only (the "Purchasers"). **THIS IS A BEST EFFORTS OFFERING. THE ISSUER MAKES NO GUARANTEE OF SALE OF ALL NOTES UNDER THIS OFFERING.**

This document is the Private Placement Memorandum ("Memorandum") for **MATCHBOX** FOOD GROUP, LLC, offered to a limited number of individuals and entities who are Accredited Investors.

This Offering has not been registered under the Securities Act of 1933, as amended, or approved or disapproved by the Securities and Exchange Commission or any state securities commissions or other regulatory authority. Nor have such agencies passed upon the accuracy or adequacy of this Private Placement Memorandum. Any representation to the contrary is a criminal offense.

MATCHBOX FOOD GROUP, LLC
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The date of this Memorandum is September 15, 2015

THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), IN RELIANCE UPON CERTAIN EXEMPTIONS FROM REGISTRATION CONTAINED IN THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, INCLUDING REGULATION D OF THE GENERAL RULES AND REGULATIONS PROMULGATED THEREUNDER, AND AS PERMITTED IN THE JURISDICTIONS IN WHICH THE NOTES ARE BEING OFFERED. ACCORDINGLY, DISTRIBUTION OF THIS PRIVATE PLACEMENT MEMORANDUM IS LIMITED TO PERSONS WHO MEET CERTAIN MINIMUM FINANCIAL QUALIFICATIONS AND THIS PRIVATE PLACEMENT MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR SOLICITATION OF AN OFFER TO BUY WITH RESPECT TO ANY PERSON WHO DOES NOT MEET SUCH FINANCIAL QUALIFICATIONS. THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, NOR HAS THE COMMISSION PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OR THE ACCURACY OR ADEQUACY OF THIS PRIVATE PLACEMENT MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Offering may be sold by FINRA member brokers or dealers who enter into an agreement with the Company or with a managing broker-dealer. We intend that brokers and dealers will be paid fees of approximately 4%, of the price of the Notes sold, though such fees could reach or exceed 8% at the sole discretion of the Company. **MATCHBOX** FOOD GROUP, LLC reserves the right to pay expenses related to this Offering from the proceeds of the Offering.

	Price to Investors	Selling Commissions[3]	Proceeds to Company[4]
Price Per Note	$ 5,000	$ 200	$ 4,800
Minimum Purchase	$ 5,000	$ 200	$ 4,800
Total Maximum Offering (2,100 Notes)	$ 10,500,000	$ 420,000	$ 10,080,000[5]

FOOTNOTES

1. The entire purchase price per Note (the "Subscription Price") is due and payable at Closing. There may be multiple closings occurring from time to time at the discretion of **MATCHBOX** FOOD GROUP, LLC, for one or more Notes. **(See "Procedure for Purchasing a Note")**

2. **MATCHBOX** FOOD GROUP, LLC presently anticipates the minimum purchase required of each investor pursuant to this offering to be one (1) Note at a cost of $5,000 ("Minimum Purchase").

3. **MATCHBOX** FOOD GROUP, LLC intends and is authorized to sell, pursuant hereto, up to 2,100 Notes. Subscriptions will not be accepted for more than 2,100 Notes (the "Maximum Offering").

4. **MATCHBOX** FOOD GROUP, LLC intends to pay approximately 4% to 8% in distribution and service fees to broker-dealers.

5. These amounts are before deducting costs and expenses, other than broker and finder fees, such as legal, accounting and miscellaneous fees and expenses related to this Offering.

The date of this Private Placement Memorandum is September 15, 2015.

The Offering will terminate on March 31st, 2016 (the "Offering Termination Date"). Management reserves the right to terminate the Offering at any time. Any subscriptions which have been tendered to **MATCHBOX** FOOD GROUP, LLC and not previously accepted will be automatically cancelled upon termination of the offering.

IMPORTANT NOTICE ABOUT THIS MEMORANDUM

The information contained in this Private Placement Memorandum is confidential and is furnished for use only by potential investors. Each potential investor agrees that he/she will not transmit, reproduce, or make available this Private Placement Memorandum or any related documents to any other person or entity. Any action to the contrary may place the potential investor in violation of various state and/or federal securities acts.

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SECURITIES DISCLOSURES

PLEASE READ THE FOLLOWING CAREFULLY

This Private Placement Memorandum ("Memorandum") is being presented only to accredited investors in connection with the private offering of subordinated promissory notes representing unsecured debt in Matchbox Food Group, LLC ("We," "Us" and the "Company") pursuant to certain exemptions from registration contained in the Securities Act of 1933, as amended (the "Securities Act"), and applicable state securities laws, including Regulation D promulgated thereunder, and as permitted in the jurisdictions in which the Notes are to be offered.

The Notes have not been registered with or approved or disapproved by the Securities and Exchange Commission ("SEC") or the Securities Regulatory Authority of any state, nor has the SEC or any such authority passed upon the accuracy or adequacy of this Memorandum. Any representation to the contrary is a criminal offense.

This Memorandum does not constitute an offer or solicitation in any state or other jurisdiction in which an offer or solicitation is not authorized.

No representations or warranties of any kind are intended or should be inferred with respect to the economic return or the tax consequences from an investment in the Company. No assurance can be given that existing laws will not be changed or interpreted adversely to the Company or the Purchasers. Prospective Purchasers are not to construe this Memorandum as legal or tax advice. Prospective Purchasers should consult their own counsel and accountant for advice concerning the various legal, tax and economic considerations relating to their investment.

No persons other than the Company's Chief Executive Officer, the President and the Chief Financial Officer have been authorized to make representations, or give any information, with respect to the Notes, except the information contained in this Memorandum. Any information or representation not contained in this Memorandum or otherwise supplied by the Company must not be relied upon as having been authorized by the Company. Any further distribution or reproduction of this Memorandum, in whole or in part, or the divulgence of any of its contents is prohibited.

A prospective Purchaser should not subscribe for the Notes unless satisfied that he or she or his or her investment representative has asked for and received all information which would enable such Purchaser and his or her investment representative or both of them to evaluate the merits and risks of the proposed investment.

The Company shall make available to each Purchaser or his investment representative or agent, during this Offering and prior to the sale of any Notes, the opportunity to ask questions of and receive answers from the Company or its representatives concerning any aspect of the Company and its business and to obtain any additional related information to the extent the Company possesses such information or can acquire it without unreasonable effort or expense. An investment in the Notes involves a significant risk of loss of principal and the investment is not liquid. This Offering is suitable only for accredited investors who have no need for liquidity and can withstand the complete loss of their investment.

Except as otherwise indicated, this Memorandum speaks as of the date of its issuance and neither the delivery hereof nor any sale hereunder shall, under any circumstances, create the implication that the information contained herein is correct as of any time subsequent to the date of issuance.

Forward Looking Statements

Some of the statements in the sections entitled "The Company," and "Risk Factors," and statements made elsewhere in this Memorandum may constitute forward-looking statements. These statements reflect the current views of our senior management team with respect to future events, including our financial performance, business, and industry in general. Statements that include the words "expect," "intend," "plan," "believe," "project," "forecast," "estimate," "may", "should," "anticipate" and similar statements of a future or forward-looking nature identify forward-looking statements for purposes of the federal securities laws or otherwise.

Forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause our actual results to differ materially from those indicated in these statements. We believe that these factors include, but are not limited to, the following:

- The success of our existing and new restaurants and/or brands;
- Our ability to identify appropriate sites to develop and expand our operations;
- Changes in economic conditions, including continuing effects from the recent recession;
- Damage to our reputation or lack of acceptance of our brands in existing or new markets;
- Economic and other trends and developments, including adverse weather conditions in the local or regional areas in which our restaurants are located;
- The impact of negative economic factors, including the availability of credit on our landlords and surrounding tenants;
- Changes in food availability and costs;
- Labor shortages and increases in our compensation costs;
- Increased competition in the restaurant industry and the segments in which we compete;
- The impact of legislation and regulations regarding nutritional information, new information or attitudes regarding diet and health, or adverse opinions about the health of consuming our menu offerings;

- The impact of federal, state, and local beer, wine, liquor, and food service regulations;
- The success of our marketing programs;
- The impact of new restaurant openings, including the effects to our existing restaurants of opening new restaurants in the same markets;
- The loss of key members of our management team;
- Inability or failure to effectively manage our growth, including without limitation, our need for liquidity and human capital;
- The impact of litigation;
- The adequacy of our insurance coverage and fluctuating insurance requirements and costs;
- The impact of our indebtedness on our ability to invest in the ongoing needs of our business;
- Our ability to obtain debt or other financing on favorable terms, or at all;
- The impact of a potential requirement to record asset impairment charges in the future;
- The impact of any security breaches of confidential guest information in connection with our electronic processing or credit/debit card transactions;
- Our ability to protect our intellectual property;
- The impact of any failure of our information technology system or any breach of our network security;
- The impact of any materially adverse changes in our federal, state, and local taxes;
- The impact of future sales of our common stock in the public market, the exercise of stock options, and any additional capital raised by us; and
- The effect of changes in accounting principles applicable to us.

The foregoing factors should not be construed as exhaustive and should be read together with the other cautionary statements included in this Memorandum. If one or more of these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may differ materially from what we anticipate. Any forward-looking statement you read in this Memorandum reflects our views as of the date of this Memorandum with respect to future events and are subject to these and other risks, uncertainties, and assumptions relating to our operations, results of operations, growth strategy, and liquidity. You should carefully consider all of the factors identified in this Memorandum that could cause actual results to differ.

INTRODUCTION

Matchbox Food Group, LLC owns and operates 11 restaurants in the DC Metropolitan market and one in Palm Springs, California. We plan to open 36 additional restaurants in the next 5 years. We believe we will require approximately $30,500,000 to fund our expansion. We are separately raising approximately $20,000,000 in equity. In this offering, we present the opportunity to invest in 7 year subordinated notes, in the total amount of 10,500,000, paying an annual interest rate of 10.125%. Further details on the investment opportunity and operations of the issuer follow.

1. A 12 Year Success Story

In 2003 Washington, DC's Chinatown neighborhood was, as they say, "up and coming." Our founders, Ted ("Ty") Neal, Mark Neal and Andrew ("Drew") Yung-Kyu Kim (the "Founders"), cobbled together their life savings and with Mark's truck and tools, convinced a local developer to rent them a 15 foot wide, 2 story 1930s building, which was a former Chinese Grocery. The building had been abandoned for so long that there was a tree growing in it. They loved it.

The Founders created a restaurant that would become popular in the DC Market - **Matchbox**. Because funds were limited, they truly built the restaurant. They hand-built custom tables in Ty's basement, built the bar, laid the tile, did all the carpentry, caulked, and painted, and even built a clever 3 story rope and pulley dumb waiter that exists today. From there, they changed into their restaurant clothes and ran the restaurant – Drew bartending, Ty running the floor, and Mark manning the hand-built brick oven.

Today, that 15 foot wide restaurant has been expanded into the building next door and for the 12 months ending July 31, 2015 generated sales of $6.5 million, earnings of $861,592 before interest, taxes, depreciation and allocation of common overhead. That small, original restaurant became **Matchbox** Food Group, LLC, a well recognized brand in the DC market.

Since 2003, the Founders have opened 11 more restaurants and created 2 additional brands. They have formed a passionate fan base of customers and employees that has generated sales of $57,082,355 over the 12 month period ending July 31, 2015, from 69,027 square feet of restaurant space. More expansive financial information is presented later in this Memorandum.

The Company currently operates 6 **Matchbox** restaurants, 5 **Ted's Bulletin** family restaurants and one **DC-3**, our little hot dog joint.

2. The World Needs to Know About Matchbox

Our growth plan calls for opening 6 to 8 **Matchbox** restaurants per year over the next 5 years, 36 new restaurants, for a total of 48 restaurants in the Company. We have secured 7 sites in Virginia, Florida and Texas that we plan to open between November, 2015 and December 2016. We have developed relationships with well-known landlords like Simon Properties, General Growth, Westfield's, JBG and others. Developers from all over the U.S. call us regularly inquiring into bringing our high volume brands to their centers. Our guest traffic levels have put us in the admirable position to have A+ sites being offered to us, at what we find to be comfortable terms.

3. Management and Advisors

We believe that the most important thing Ty, Mark and Drew did was to bring on an experienced team to execute their growth plan. Internally, they hired Peter D'Amelio, ex-president of the Cheesecake Factory, Great American Restaurants and Coopers Hawk Winery and Restaurants. They hired Mary Ann Fulco from Morton's The Steakhouse, who also was on the team that opened the 12,000 employee Bellagio Las Vegas Hotel. They hired Stephen Lyons of the Inn at Little Washington, a five star, five diamond restaurant in Washington, Virginia to head the Company's culinary efforts. A year ago, Harvey Metro, CPA and trusted advisor to us and other growing local companies came on board as our CFO to keep us on track to maximize earnings, value and return on investment as we grow our brands. We think you will be impressed with the Company's organizational chart set forth later in this Memorandum.

Knowing the value of surrounding themselves with experienced people, Ty, Mark, Drew and **Matchbox** attracted the attention of Chris Sullivan, one of the founders of Outback Steakhouse and Bill Allen, Ex-CEO of OSI Brands (the company that owns Outback Steakhouse as well as several other brands). Chris and Bill along with local businessman Win Sheridan made a significant monetary investment and joined the Company's advisory board.

We have constructed the following departments to manage our expansion:

- Learning and talent development
- Construction and development
- Finance, accounting and human resources
- Facilities maintenance
- Culinary research and development
- **Matchbox** operations
- **Ted's Bulletin** operations
- Marketing and public relations
- Purchasing
- New restaurant openings (NRO team)
- Information systems and business intelligence

Each department is led by people with years of experience in the restaurant industry.

4. **Funding Our Expansion**

After having raised $10,360,000 over a period of 6 years to build 12 restaurants, we decided to change our strategy. All of the previous equity was raised at the subsidiary restaurant level, returning quarterly cash of 10% to 33% annually. We have restructured our capital structure and offered these existing investors a spot in the parent company, either by continuing to earn cash flow or by converting to growth units. Further discussion is below but most of the investors have elected to forgo short term cash flow by electing growth units which saved the Company nearly $1 million in annual cash distributions. For our expansion capital, we mapped out a two pronged capital raise under which we would raise a total of $30,500,000. We have set out to raise $20,000,000 of growth unit parent level equity (which amount includes approximately $4,330,000 of proceeds from anticipated conversion of certain subordinated convertible notes) and $10,500,000 of subordinated notes. The equity was announced at the beginning of 2015 and we have raised $15,885,000 as of 8/31/2015, with ongoing discussion with potential investors for the remaining $4,115,000. This Memorandum will describe our subordinated note offering which will pay 10.125% interest quarterly over a 7 year term. More information on the equity offering can be found at **www.matchboxinvestment.com**.

To execute on our growth plan, we estimate needing a maximum of $30.5 million to open new restaurants, provide an operating cash cushion, and pay our operating costs for the short term. That amount can vary with cost to build, sales at new and existing locations and other market conditions. Our intention is to never have less than $8 million cash balance which should give us both cash reserves plus balance sheet strength for landlords, banks and vendors.

Each of our restaurants costs approximately $4 million to $6.5 million to open. There is a wide range for costs here, depending on the format of the real estate: freestanding vs. in-line vs. urban historic. We will require substantial improvement allowances from our landlords ($1.5-$3.0 million) and plan to fund the remaining new restaurant costs with senior bank debt and our cash. Our cash investment has historically been between $1.25 million and $1.5 million per restaurant.

5. **Our Little DC-3 Hot Dog Joint!**

We have signed a licensing agreement with an airport concession operator who has secured locations in 2 airports and one large bus terminal. We are paid an up-front fee plus a percentage of sales on these operations. This operator has submitted several proposals for additional airport terminal locations across the U.S.

6. **Before You Dig in to the Details**

   a. **Why Florida and Texas?**

Our expansion plans include locations in Florida and Texas, as well as the Washington, DC area. Both of these states are commonly considered "brand builders" for restaurants for a few reasons. Both have many affluent trading areas and retail centers in those trading areas that we believe attract guests who are welcoming to new restaurant brands. Being warm weather states, we expect that we can build large patios expanding our seating without paying additional rent (as we have not paid rent for patios before). Additionally, both states have a strong restaurant work force to draw from.

b. Matchbox has a strong fan base locally. What happens if customers don't come to our new locations in the same volume as locally? How do we anticipate paying interest to investors?

The good news is that we have earnings. We are not a startup. In 2014 our restaurants generated $7.1 million of restaurant level earnings before interest, taxes, depreciation, debt service or allocations of corporate overhead common to all of our restaurants. From that, we paid overhead expenses common to all restaurants, primarily consisting of salaries of the growth team found on the organizational chart. We have done the "what if" exercise of identifying the salaries for growth and salaries to operate currently. If our new restaurants aren't as profitable as our current locations, or if current locations experience a downturn, we could choose to pull back on the expansion which we believe could allow us to reduce our overhead expenses, including payroll and other expenses, by as much as $6,000,000 per year, thus creating free cash flow to pay interest on these Notes.

c. How does Matchbox select real estate?

Our plan calls for minimizing risks here. We plan to focus on A+, "Main and Main" sites that are currently supporting successful restaurants. We like retail and lifestyle centers with high end retail and restaurant co-tenants. We also like being near movie theatres (though not a requirement). We have an experienced external real estate team working with our executive team and advisory board to make these decisions. Our 3 founders generally visit prospective sites 2 or 3 times at different times during the day and week to see the guest traffic that exists in these centers. Our strategy is to move into successful markets with our brand, quality and price point. This real estate strategy has served us well at our new Rockville, MD and Merrifield, Virginia locations, and we expect it to allow us the same popularity and profitability in new markets as we see in our home market. We also have a nice following at our 10 year old restaurant in Palm Springs, CA. We believe we know how to operate and satisfy guests outside of our home market.

d. What do the financials of a new restaurant look like?

Locally, our openings have brought us to near maximum capacity immediately without a "ramp-up" period. We want to be conservative here, so although we believe that our brand, marketing and real estate selections will bring about similarly short ramp-up periods in our expansion markets, we have built our financial models around the expectation that new restaurants will achieve profitability 6 months after opening. Similarly, as you will see later in this Memorandum, our average revenue per square foot per year at **Matchbox** is currently $885 but we are using $650 to $750 of revenue per square foot per year for our financial planning. When we are evaluating a new location, among other considerations, we have three financial requirements:

1. $500,000 minimum annual cash flow contribution after ramp-up, debt and common overhead expense allocation;

2. 20% return on invested capital (annual cash flow divided by net cost to open after landlord improvement allowance); and

3. **Matchbox** Food Group, LLC cash contribution of less than $1.5 million for startup.

For instance, one of our Florida properties looks like this:

- Square feet – 8,195 (plus a large patio)
- Estimated cost to open - $4,200,000
- Tenant improvement allowance - $1,301,450
- Our cash contribution - $1,159,420
- Bank debt - $1,739,130
- Estimated annual sales $6,326,540
- Estimated annual cash flow after ramp up - $564,350

f. What makes up our general and administrative ("G&A") overhead expenses common to all restaurants?

We use a couple of terms common to the restaurant and retail industry:

- 4WEBITDA – Four wall earnings before interest, taxes, depreciation and amortization inside the four walls of a restaurant. This is excluding an allocation of overhead expenses common to all restaurants.

- 4WCF – Four wall cash flow which reduces 4WEBITDA by both principal and interest of debt service and an allocation of overhead expenses common to all restaurants (we use 5% of sales for this allocation).

G&A expenses are primarily salaries. We pay rent on two locations, an office in Washington, DC which we sublease from a law firm for $32.50 per square foot (market rate in our building is currently approximately twice that) and a shop in Silver Spring, MD where we fabricate some of our furniture and fixtures, plus house building supplies such as reclaimed barn wood, reclaimed wood for our stair treads and other unique and authentic materials that we incorporate into each restaurant. We believe that once you see one of our restaurants, you'll understand the value. We also have a full test kitchen at our Silver Spring shop where Stephen Lyons shows his talents for creating and improving our menu items.

Our gross G&A, for instance, is expected to be approximately $11,000,000 in 2016 with 19 total restaurants open by the end of the year. Of that, $9.4 million is expected to be salary and benefits of our management and expansion team, with the remaining being rent, utilities, professional fees, training materials, travel and other expenses necessary to run a growing company. As explained in more detail later in this Memorandum, we allocate $400,000 of G&A to the cost of opening each restaurant (which is included in the $4.2 million estimate to open a new restaurant noted above). We have 5 sites under lease that are expected to open in 2016, reducing G&A by $2,000,000 in 2016.

g. Why now? Why expand at all?

We believe we've got something really great here. Our Founders have created 2 locally well known brands with significant runway for expansion. Both **Matchbox** and **Ted's Bulletin** have sales per square foot that we think challenge the best of the publicly held brands in the country. We have developers and landlords offering us significant construction incentives to join their centers. We believe that the public and private equity markets have realized the value of the consistent cash flow that restaurant companies can produce. Additionally, it appears that restaurant guests are embracing brands and consistent experiences, generating an increase in expansion of brands in the full service and fast casual restaurant segments.

We have an opportunity to bring our brands to new markets and new guests. Our expansion has allowed us to bring on the talent to fine tune and roll out our systems to improve consistency, improve cost and improve our guest experience - all while growing our sales.

THE COMPANY

1. General Comments

This Memorandum sets forth the terms of the Note Purchase Agreement, the document through which the Notes will be sold. This Memorandum also discusses the Company's operating history, business model, capital structure, financial condition, and the objectives and methods of operation of the Company, and certain other pertinent information. However, this Memorandum does not set forth all of the provisions and distinctions of the Note Purchase Agreement that may be significant to a particular prospective Purchaser. Each prospective Purchaser should examine this Memorandum, the Subscription Agreement and the Note Purchase Agreement, as well as the financial information set forth in this Memorandum and the financial statements of the Company made available in connection with this Offering.

The Company will afford prospective Purchasers the opportunity to ask questions of and receive answers from representatives of the Company concerning the terms and conditions of the Offering and the business of the Company and to obtain any additional information to the extent that the Company possesses such information or can acquire it without unreasonable effort or expense.

The main business address of the Company is: 750 9th St. NW, Suite 550, Washington, DC 20001. Its main business telephone number is 202-289-4403.

Purchase of a Note should be considered to be a speculative investment. The purchase of the Notes is intended only for experienced and sophisticated investors who are able to evaluate the merits and risks of purchasing a Note and who are able to bear a substantial impairment or a total loss of their purchase price.

2. History

We opened our first restaurant in 2003, owned and operated by **Matchbox**, LLC, a District of Columbia LLC owned by the Founders. **Matchbox** Management, LLC, was formed in 2005 as a management company to support existing and future restaurants within the **Matchbox** family of restaurants. **Matchbox** Management, LLC changed its name to **Matchbox** Food Group, LLC in 2014.

Prior to 2014, each of the 12 restaurants in the group, except the original Chinatown (Washington, DC) and Palm Springs, CA restaurants, was owned by a subsidiary limited liability company ("LLC"). Each subsidiary LLC owned 1 to 3 restaurants under a licensing agreement to **Matchbox** Management, LLC, the owner and creator of the companies' licenses and intellectual property. The capital to open each restaurant was raised within the subsidiary LLC and not in the parent entity. The parent entity, **Matchbox** Management, LLC, held the Founders' interests in the subsidiary entities.

Effective November 20, 2014, the Company changed its name to **Matchbox** Food Group, LLC and began a process to "roll-up" the current investors in the Company's subsidiary LLCs (the "Subsidiary Members"). Under the original structure, the Subsidiary Members were paid quarterly cash distributions. The Company has offered each of the Subsidiary Members the opportunity to exchange their interests in the individual restaurant units (subsidiary LLCs) for one of two types of membership interest units in the parent Company (the "Roll-Up"). Subsidiary Members have been offered "Cash Flow Units" or "Growth Units." The Cash Flow Units will continue with regular quarterly distributions. The Growth Units will not provide regular distributions (other than tax distributions), but will allow for reinvestment of earnings to create value growth. Both the Cash Flow Units and the Growth Units will be non-voting Units of membership interest in the Company. As of the date of this Memorandum, 8 of 117 of the subsidiary members have not yet made their conversion selection. While we expect the remaining eight members to make an election shortly, for subsidiary members that do not elect a conversion method, they will not receive distributions under the prior calculation method (until they make such election or the Company forces a conversion of old units into new units), which will slightly increase accounting costs but should not materially affect the Company's ability to operate or to service the Notes.

The anticipated new structure of the Company will be a single parent entity, **Matchbox** Food Group, LLC with several 100% owned subsidiaries holding each of the operating restaurants, with the exception of **Matchbox** Palm Springs, LLC which will continue to be owned 50% by a joint venture partner.

3. Business Description

Matchbox Food Group is a multi-unit, multi-concept restaurant company operating 3 brands, **Matchbox**, **Ted's Bulletin**, and **DC-3**. Match**box** is an American bistro with an upscale American menu prepared in our scratch kitchens. **Ted's Bulletin** operates in the same polished casual space serving American comfort food and breakfast all day. Our single **DC-3** location is a small fast casual hot dog joint featuring regional hot dog selection from around the country.

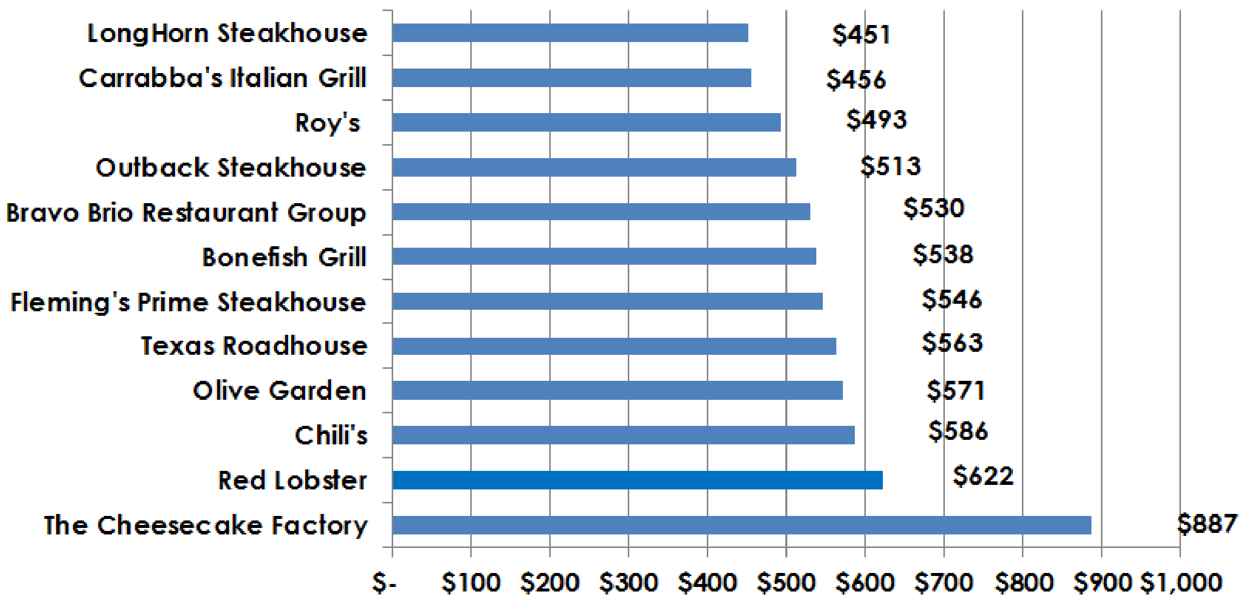
Plans are underway to expand the **Matchbox** brand. **Matchbox** Food Group. LLC is the creator and operator of all three concepts with an expectation to add additional concepts and restaurants. The Company is headquartered in the Washington, DC metropolitan area. As of August 26, 2015, we had 12 locations in Washington, DC, Maryland, Virginia and California. Our restaurants produce some of the highest sales per square foot in the industry as we compare ourselves against full service publicly held restaurants in the "casual" and "polished casual" space from a 2013 study on Market Realist noted later in the memorandum.

Revenue per square foot (Annual Revenue/Total Square Feet)

Revenue per square foot is a key performance indicator used by investors, analysts and others to evaluate restaurant guest traffic and performance. The chart below, containing public company data for other full service restaurants in the casual and polished casual space, was extracted from a 2013 article on investment site www.marketrealist.com. For comparison, our **Matchbox** brand produced the following sales per square foot for 2013 and 2014. Note that our Merrifield location opened during 2013 so 2014 was the first full year.

restaurant	2013 revenue	sq ft	avg rev/sf
mb chinatown	6,572,954	7,114	924
mb capitol hill	5,582,039	4,322	1,292
matchbox rockville	7,719,995	9,611	803
matchbox 14th st	5,746,829	6,730	854
TOTAL	**25,621,818**	**27,777**	**922**

restaurant	2014 revenue	sq ft	avg rev/sf
mb chinatown	6,242,995	7,114	878
mb capitol hill	5,385,516	4,322	1,246
matchbox rockville	7,752,018	9,611	807
matchbox 14th st	5,361,594	6,730	797
matchbox merrifield	6,752,460	7,825	863
TOTAL	**31,494,584**	**35,602**	**885**



- Source: http://marketrealist.com/2013/11/darden-analysis-revenue-per-square-foot-essential/
- We have five **Ted's Bulletin** restaurants open and the two that have been open for more than a year averaged sales per square foot of **$1,151** in their most recent trailing twelve months.

4. Historical Financials

The reviewed consolidated balance sheets of the Company and its subsidiaries as of the years ended 2013 and 2014, and the related consolidated statements of operations and cash flows – income tax basis, are available for review.

Set forth is a summary of the Company's financial performance and condition, on a consolidated basis, for each of the last 2 years and the first half of 2015:

- **Matchbox Food Group, LLC,** with 12 restaurants open, produced the following results for the twelve accounting periods (year) ended December 30, 2014:
    - **Matchbox Food Group, LLC net sales of $49,318,076**
    - **Matchbox Food Group, LLC** restaurant-level earnings before general and administrative expenses were $7.17 million (unaudited 4WEBITDA).

Matchbox Food Group, LLC and Affiliates			
Selected Financial Data			
Prepared on the Income Tax Basis			
As of and for the accounting years (periods) ended			
Assets	**6/30/2015**	**2014**	**2013**
Cash	4,089,378	$ 1,954,773	$ 7,638,351
Inventory	357,883	299,828	263,416
Prepaid Expenses and Other Current Assets	805,183	683,462	459,975
Investment in Matchbox Palm Springs, LLC	50,175	50,175	50,175
Property and Equipment, net	10,980,088	8,465,579	7,178,506
Security Deposits	293,874	262,526	216,174
Deferred Charges, net	3,141,053	2,962,268	2,779,087
Other Assets	2,539,503	793,327	546,064
Total Assets	**$22,257,137**	**$ 15,471,938**	**$ 19,131,748**
Liabilities and Members' Equity			
Accounts Payable and Accrued Expenses	2,740,880	$ 3,813,956	$ 3,113,028
Line of Credit	-	394,000	293,000
Distributions Payable	66,468	66,468	367,604
Long Term Debt	10,666,973	10,036,806	9,529,298
Members' Equity	8,782,816	1,160,708	5,828,818
Total Liabilities and Members' Equity	**$22,257,137**	**$ 15,471,938**	**$ 19,131,748**
	6 Periods ending		
	6/30/2015	**2014**	**2013**
Revenues	**$28,619,157**	**$ 49,318,076**	**$ 38,470,604**
Restaurant Costs and Expenses	25,291,356	42,146,784	32,035,438
Income From Restaurant Operations	**$ 3,327,801**	**$ 7,171,292**	**$ 6,435,166**
G&A Exenses Common to All Restaurants	4,410,740	7,131,583	2,672,908
Earnings Before Interest, Taxes,			
Depreciation and Amortization	**$ (1,082,939)**	**$ 39,709**	**$ 3,762,258**
Note - Interest Expense	299,684	550,041	379,484
Note - Depreciation Expense - income tax basis	not yet recorded	3,874,905	3,656,726
(we have taken bonus depreciation driving down property and equipment			
as well as equity)			
Cash Balance 8/5/2015	8,298,656		

5. Management's Analysis of Financial Status

During 2014 our restaurants generated $49,318,076 of net sales and $7.17mm of earnings at the restaurant level before overhead common to all restaurants (4WEBITDA). Sales increased by 128% and restaurant level earnings by 111% from 2013. Part of that growth was the opening of 2 restaurants, **Ted's Bulletin** in Reston was opened in January, 2014 and **Ted's Bulletin** in Merrifield was opened in October, 2014.

Although our last three restaurants opened were **Ted's Bulletins**, our plan is to only open **Matchbox** restaurants for the next few years. Although our **Ted's Bulletin** restaurants perform well, our **Matchbox** brand is our focus for growth over the next 2 years. At some point in the future, we do expect to expand the **Ted's Bulletin** brand as well. All brands are owned by **Matchbox** Food Group, LLC and are included in this offering.

Our general and administrative ("G&A") expenses grew significantly in 2014. That growth is almost solely in salaries as we hired the leadership team to execute on the growth plan. Management decided to hire the full team prior to expansion vs. during expansion to develop systems and controls to ensure smooth execution of our expansion plan. Those employees are highlighted throughout this Memorandum. In 2015 the Company moved into a new headquarters office under a 3 year sublease arrangement for excess space not used by a local law firm.

Prior to 2014, Founders received compensation in the form of distributions from the LLCs. Beginning in 2014, Founders began to receive cash compensation. As a result, those expenses appear on the Company's income statement for the first time in 2014. This also accounts for part of the increase in G&A expense beginning in 2014.

Further discussion of G&A growth can be found below as we present the growth plan.

Our costs to operate restaurants in 2014 remained similar to those costs in 2013 without significant increases in food or labor costs, those being our prime costs. Our third highest cost is rent, which predictably increases each year or 5 years based on our landlord agreements. Our G&A costs have increased significantly as discussed previously as a result of our substantial headquarters headcount additions in 2014.

6. Business Strategy

The restaurant industry operates in two main segments: quick service and full service. Within each of those segments are sub-segments - including, for instance, fast food and fast casual within the quick service segment and fine dining, casual and polished casual within the full service segment. Our **DC-3** concept operates in the fast casual segment, while **Matchbox** and **Ted's Bulletin** operate in the polished casual segment. We consider polished casual to include brands like The Cheesecake Factory, Hillstone, P.F Chang's China Bistro, Yard House Restaurants, BJ's Restaurant & Brewery, and Paul Martin's American Grill. All of these firms but Cheesecake Factory, BJ's Restaurant and Brewery and recently Yard House Restaurants are not public companies. BJ's Restaurant and Brewery and Yard House were not included in the article on Market Realist used to develop the Revenue per Square Foot Chart above so we were not able to include them in the chart. We believe we have established ourselves as a leading operator within this segment and have the opportunity to grow both our **Matchbox** and **Ted's Bulletin** brands. We have proven this is possible in our home market and with our 10 year old **Matchbox** restaurant in Palm Springs, CA. We believe that our culinary offerings and overall guest experience, along with our operating team, will allow us to replicate the brand loyalty and financial results that we have enjoyed within the Washington, DC market.

To support this growth, we have undertaken a program that we call **Matchbox 2.0**. This is a moniker for the investments and opportunities we believe are necessary for our brands to operate beyond our home market with the same degree of success we have had within our home market. **Matchbox 2.0** includes, among other changes, restaurant design, culinary offerings, restaurant systems, operating personnel, and staff training programs. The **Matchbox 2.0** program is nearly complete and will be displayed in our next **Matchbox** opening, which is scheduled for November 9, 2015 in Loudoun County, Virginia.

We plan to continue to grow our profits by adding restaurants and by improving operations. We have just rolled out a special Happy Hour menu with food and drink offerings at **Matchbox**. We have recently hired Chris Kermode as our senior director of purchasing. He's an industry veteran with the ability to reduce our product and supply costs and to simplify our ordering system. His first 9 months have already provided savings using the same or better products. During expansion, we will continue to focus on our unit economics and opportunities for improvement and efficiency through both scale and culinary offerings.

Although our focus is clearly on the expansion of **Matchbox**, we have recently signed a licensing agreement with an airport concession operator to open a **DC-3** in Washington Dulles International Airport. This same operator has submitted proposals for several other airport and similar opportunities with tentative approval for 3 additional sites. This licensing arrangement calls for an up-front fee to us plus monthly percent of sales payments. We expect that we will have no capital outlay in these licensing transactions.

We have successfully opened 12 restaurants, 11 in our home market and 1 in Palm Springs, CA. We anticipate that our initial growth will be limited to the **Matchbox** brand, with an expectation to expand the **Ted's Bulletin** brand thereafter as opportunities are presented. The model and discussion presented herein addresses only the **Matchbox** expansion; figures discussed will vary from market to market, restaurant to restaurant. We plan to open the following **Matchbox** locations by the end of 2016:

• Loudoun County, VA	• Sawgrass Mills, Sunrise, FL
• Pentagon City, Arlington, VA	• Coral Gables, FL
• Potomac Mills, Woodbridge, VA	• Preston Hollow Village, Dallas, TX
• Short Pump Town Center, Richmond, VA	

We estimate that opening an 8,000 square foot restaurant will cost approximately $500 to $650 per rented square foot. Several factors will determine the actual cost including whether we are building the entire structure or being delivered a shell. Some of our restaurants have larger patios than others and some have two stories or mezzanine levels. Larger restaurants should cost less per square foot and smaller restaurants may cost more per square foot.

Our strategic plan calls for 36 **Matchbox** openings between 2015 and 2020, resulting in 42 **Matchbox** restaurants. The expected financial results of these 42 **Matchbox** restaurants, the five existing **Ted's Bulletin** restaurants and the existing **DC-3** restaurant are summarized in the next chart. Note that average revenue per restaurant increases somewhat each year in the projections below because of the ramping-up effect of new locations and because in some instances the new restaurants are larger than some existing locations.

Included in the G&A costs are salaries and costs for our construction and development department, our learning and talent development department, our culinary development team and others who contribute directly to the cost to open a restaurant. In the growth plan presented below, at each restaurant opening, $400,000 of these costs have been transferred (credited) from G&A and capitalized (debited) on the balance sheet as a cost to open a restaurant. This allocation reduces total G&A costs presented on the income statement. So, for instance, in 2017 we plan to open 6 restaurants. Gross G&A is estimated to be $11,020,856 but reduced by $2,400,000 (6 restaurants at $400,000 per restaurant) resulting in net G&A of $8,620,856. This practice of capitalizing costs is consistent with others in our industry.

matchbox food group							
Summary Growth Plan		**2015**		**2016**		**2017**	
Net Sales		58,756,291		90,931,434		127,877,790	
Cost of Sales		16,231,899	28%	24,583,194	27%	34,154,788	27%
Gross Profit		42,524,392	72%	66,348,240	73%	93,723,001	73%
Restaurant Operating Expenses		34,614,281	59%	54,432,656	60%	73,809,901	58%
Income from Restaurant Operations		**7,910,112**	**13%**	**11,915,584**	**13%**	**19,913,100**	**16%**
General and Administrative		9,006,322	15%	8,525,112	9%	8,620,856	7%
EBITDA		(1,096,211)	-2%	3,390,472	4%	11,292,244	9%
Interest Expense**		1,081,544		2,307,171		2,673,538	
Restaurants end of year		13		19		25	
		2018		**2019**		**2020**	
Net Sales		172,718,123		213,730,623		266,226,623	
Cost of Sales		45,771,455	27%	56,396,455	26%	69,996,455	26%
Gross Profit		126,946,668	73%	157,334,168	74%	196,230,168	74%
Restaurant Operating Expenses		98,723,206	57%	120,594,259	56%	149,374,859	56%
Income from Restaurant Operations		**28,223,462**	**16%**	**36,739,909**	**17%**	**46,855,309**	**18%**
General and Administrative		8,705,814	5%	8,490,831	4%	8,915,008	3%
EBITDA		19,517,647	11%	28,249,078	13%	37,940,301	14%
Interest Expense**		3,027,739		3,350,342		3,824,191	
Restaurants end of year		31		39		47	

** Interest expense includes senior bank debt, suborinate note interest and payments to cash flow unit holders

Note that this schedule assumes convertible noteholders will convert to equity during 2017 and 2018

Ty, Mark and Drew, the Company's founders, honored as 2014 DC's food and beverage entrepreneurs of the year

7. Site Selection

We consider the real estate selection process to be a key factor in the long-term success of each restaurant, and as such, devote a significant amount of time and effort into identifying and evaluating each potential location. Our owners generally visit potential locations several times to evaluate daytime population, accessibility, population density, visibility and neighboring retailers.

With Bill Allen and Chris Sullivan from our advisory board involved in the process and our COO, Peter D'Amelio, we believe we have a working knowledge of the primary trading areas in the U.S.. Our concepts have proven themselves in both urban and suburban pad sites and in-line locations, giving us the flexibility to utilize on not only traditional lifestyle center space but urban renewal space also.

8. Real Estate

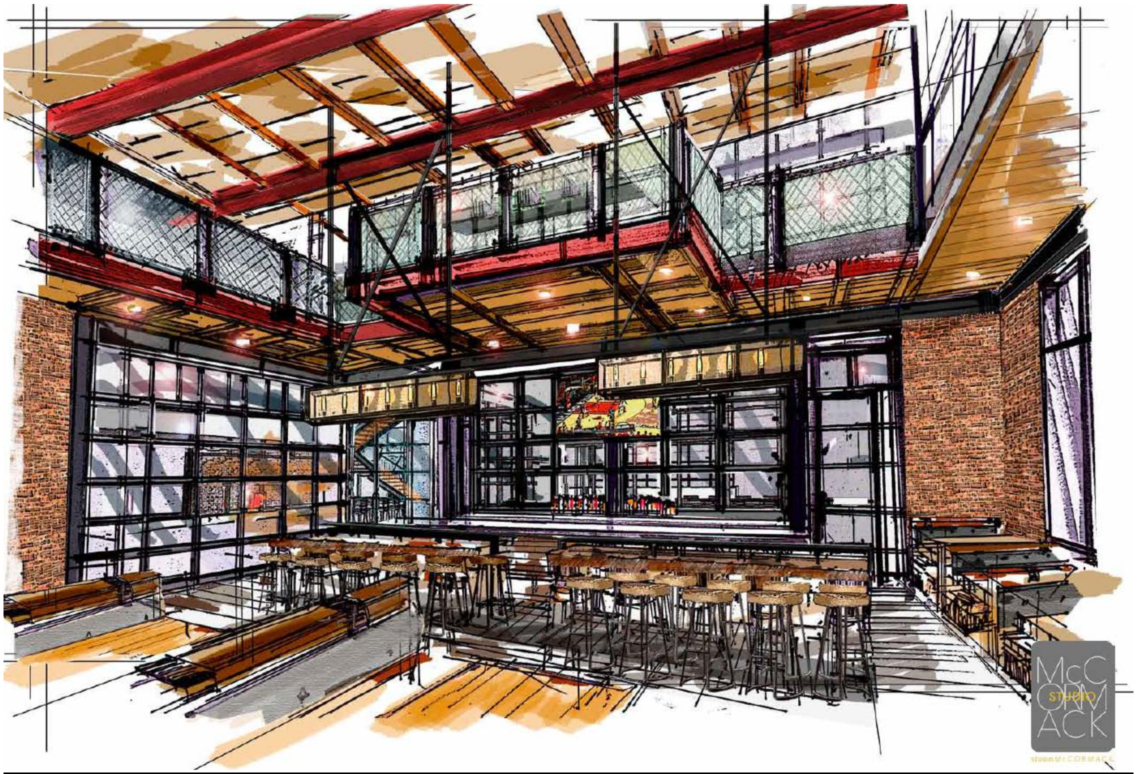
We believe our timing is optimal. The retail real estate market is changing. Leases are expiring on some of the popular brands from the 90s. We think that landlords are looking to replace those aging brands with new and innovative brands like **Matchbox**. These property owners are also making significant investments in new centers while remodeling and expanding existing ones. We have attracted the attention of national property owners-including the Simon Property Group, Westfield and General Growth Properties, some of the largest retail property owners in the U.S. We believe these companies are attracted to our strong financial results, our management team, and our ability to provide multiple brands at their sites.

We plan to grow our Company by adding clusters of restaurants in strong regional trading areas throughout the country. We have identified Florida and Texas as our initial expansion areas while continuing to locate sites in our home market of the mid-Atlantic from central New Jersey to Richmond, VA.

9. Design

Our typical **Matchbox** restaurants range in size from 6,000 to 9,000 square feet. We anticipate future restaurants will be similarly sized plus an outside seating area where feasible. Our steel and wood design also lends itself to creative mezzanine levels to gain extra seating without extra base rent charges. We anticipate an average cash investment per restaurant of approximately $1.0 million to $1.5 million. From time to time, our restaurants may be smaller or larger or cost more or less than our targeted range, depending on the particular circumstances of the selected site. We do not plan to purchase any of our sites as we would prefer to invest our resources in our operations.

A big part of **Matchbox** 2.0 will be design. After several meetings with Rick McCormack, (www.richardmccormackdesign.com) we decided that he had to be on our **2.0** team. You can see his renderings of our upcoming locations below. Additionally, as of the date of this offering, the Loudoun County, VA restaurant is set to open on November 9, 2015 at 11am. Photographs taken on 8/26/2015 are also below:



"Crane Day" at our Loudoun County location 8/26/2015 placing rooftop HVAC units.

Potomac Mills

Preston Hollow in Dallas

2 MATCHBOX FRONT PERSPECTIVE

1 MATCHBOX FRONT ELEVATION

10. Restaurant Operations

We believe that retaining high quality restaurant managers, valuing our team members, and providing an exceptional experience for our guests are key to our continued success. In order to retain our unique culture as we grow, we devote substantial resources to identifying, selecting, and training our restaurant-level team members. We have invested substantial resources into our Learning and Talent Development department led by MaryAnn Fulco. Each staff member will have an individual development plan allowing the staff member to meet his or her goals within our Company no matter what they may be. We believe our focus on guest-centric training is a core aspect of our Company and reinforces our ***number one thing***, to cause our guests to return.

11. Management and Staffing

The core values that define our guest experience are food, hospitality and ambience. We call these our "three legged stool." Our restaurants are generally staffed with one general manager, one executive chef and up to six assistant managers depending on the size and sales volume of the restaurant. The general manager is responsible for day-to-day operations and for maintaining the standards of quality and performance that define our culture. We utilize area directors of operations ("ADO") and area culinary operations managers ("ACOM") to oversee general managers and executive chefs operation of our restaurants, including the continuing development of each restaurant's management team. Through regular visits to the restaurants and constant communication with the management team, the ADOs and ACOMs ensure adherence to our food, hospitality and ambiance values. We also use secret shoppers that visit our restaurants on a monthly basis and provide guest satisfaction scores using the criteria we define.

12. Training, Development, and Recruiting

We believe that successful restaurants begin with the team member - a key component of our strategy. We pride ourselves on providing an exceptional training program. Our team members undergo a detailed orientation followed by a rigid training schedule to expose them to all of the functions that they will perform.

We offer an incentive program which we believe is competitive in the restaurant industry. Aside from competitive base salaries and benefits, management is incentivized with a performance-based bonus program. We also provide group health, dental, and vision insurance, a company-sponsored 401(k) plan with a discretionary matching contribution feature, a referral bonus program, and opportunities for career advancement. We are committed to the having the finest employee engagement and retention program in the hospitality industry.

We emphasize growth from within the organization as much as possible, giving our team members the opportunity to develop and advance. We believe this philosophy helps build a strong, loyal management team with high team member retention rates, giving us an advantage over our competitors. We strive for a balance of internal promotion and external hiring.

13. Marketing and Advertising

In fiscal year 2014, we spent approximately 0.75% of all restaurant sales on marketing efforts. In addition, charitable donations and local community sponsorships help us develop local public relations and are a major component of our marketing efforts. We support programs that build traffic at the grass roots level. We also participate in numerous local restaurant marketing events throughout the communities we serve. As we expand into new markets we will affiliate with local charitable organizations and pursue additional marketing.

14. Information Systems and Technology

We believe that technology can provide a competitive advantage and enable our strategy for growth through efficient restaurant operations, information analysis, and ease and speed of guest service. We have a standard point-of-sale system in our restaurants that is integrated to our corporate office (we call it the "pro shop") through a web-based above-store business intelligence reporting and analysis tool. Our systems are designed to improve operating efficiencies, enable rapid analysis of financial and non-financial information, and improve administrative productivity. In 2012, we launched online ordering for our **Ted's Bulletin** restaurants and recently launched a new website with call-ahead service for both restaurant brands. This should allow our host stands to be as efficient as possible when welcoming and seating guests. We believe this efficiency will lead to higher sales.

We are constantly assessing new technologies to improve operations, back-office processes, employee ease and satisfaction, and overall guest experience. This includes the implementation of mobile payment options, advanced programming of kitchen display units, tablet based ordering and a sophisticated Human Resource

Information System which we anticipate will be rolled out in 2015. We have engaged an IT consulting firm to evaluate all our technology and make recommendations.

15. Management

Our **Matchbox 2.0** initiative includes getting the right people in the right seats on the bus and putting them into an infrastructure that will support our smart growth:

- **Peter D'Amelio** is our chief operating officer. Peter was formerly the president of The Cheesecake Factory, Great American Restaurants, and Coopers Hawk.

- **Harvey Metro** is our chief financial officer. Harvey operated a regional CPA and consulting firm for 25 years, specializing in working with growth companies- including several successful regional and national restaurant brands.

- **MaryAnn Fulco** is our vice president of Learning and Talent Development. MaryAnn, who holds a master's degree in education, was responsible for the hiring and training of the original 12,000 employees at the Bellagio hotel in Las Vegas and has since been in similar roles with regional and national restaurant brands. MaryAnn is establishing the educational systems that will allow for our future employees to go through the same training as our employees in Washington, DC.

- **Chef Stephen Lyons** is our vice president of Culinary Operations. Stephen is the former director of food and beverage and executive sous chef at the Inn at Little Washington, a five-diamond dining destination.

This group will oversee our infrastructure, which includes area directors and area culinary operation managers. A full organizational chart of our management team is presented in the following pages.

During 2013, we formed an advisory board including industry veterans Chris Sullivan, founder of Outback Steakhouse, and Bill Allen, former CEO and Chairman of the parent company to Outback Steakhouse, Carrabbas Italian Grill, Flemings Prime Steakhouse, and several other brands. Both Chris and Bill have developed brands from zero to dozens or hundreds of locations. We were also fortunate enough to attract Win Sheridan to our advisory board. Win was one of our first investors and founded Apex Systems, Inc., a large IT staffing company. After having grown his business, he has agreed to help in our growth. Each member of the advisory board has made a substantial financial investment in our Company.

Our Board of Managers currently includes our three Founders. However, as of the date of this Memorandum, we are in the process of finalizing our Second Amended and Restated Operating Agreement ("Second Amended Operating Agreement") and are waiting for formal approval from the Company's lender, Eagle Bank. We anticipate that, under the Second Amended Operating Agreement, 50 More Seats, Inc., a District of Columbia corporation, will be appointed as the Company's manager. 50 More Seats, Inc. is 100% owned by the Founders. Even without approval of the Second Amended Operating Agreement from Eagle Bank, the Company has full authority under the existing operating agreement to issue these Notes.

In addition, the Founders' collective holding of their ownership in the Company will be through Capital E Holdings LP, a District of Columbia limited partnership. Ownership in Capital E Holdings, LP is held 99% by the Founders and 1% by 50 More Seats, Inc. (the general partner of Capital E Holdings).

Our Founders

ty neal

Ty began his career as a fry cook at 15. There are few positions in the restaurant industry that he has not held. He has been a fry cook, grill cook, busser, waiter, bartender, manager, and owner. His 24 years as an owner of multiple restaurants has given him knowledge and experience in the areas of real estate, capital raising, and team building.

mark neal

Mark has 25 years of experience in the restaurant industry. There is virtually no job in the Company that Mark hasn't done. His construction and development experience has created a restaurant ambiance that we believe is the best in our industry segment. Mark will continue to lead our talented construction and development team as we begin our expansion.

drew kim

Drew's 25-year career in the service industry has helped **Matchboxfoodgroup** concepts be more than just a place to eat. Drew puts his stamp of creative intuition on every aspect of the customer experience-from the way guests are greeted, to the dim of the lights, to the music in the background, to the material of the menus, to plates and glassware and the menus featured in each restaurant.

INDUSTRY VETERANS

When Ty, Mark, and Drew felt like they'd earned the right to expand, they knew they needed to build a strong executive team to protect their company, to learn their ideals and inspirations, and to use that learning to build the foundation for smart growth. "We needed to find people who had 'been to the rodeo,'" said Ty Neal.

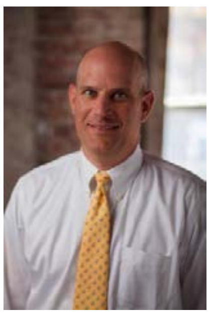
peter d'amelio

Chief Operating Officer

Peter joined the Cheesecake Factory as a manager when they were at five units. He left as president and chief operating officer after opening the 150th unit. Since leaving Cheesecake Factory in 2007, Peter has been the president of two leading restaurant brands: Great American Restaurants and Cooper's Hawk Winery and Restaurants.

harvey metro

Chief Financial Officer



For 12 years, Harvey has been part of the team, giving tax and business advice through his CPA firm in Maryland. Harvey provided this kind of advice to restaurant and business owners for 25 years but now Harvey is working full-time with our executive team, heading up our finance group. He has worked with hundreds of emerging and established regional brands throughout his career.

INDUSTRY VETERANS

maryann fulco

Vice President of Learning and Talent Development

Maryann has over 25 years collective experience in hospitality, education, and corporate learning and development, including the creation of educational systems and leadership programs for 10,000 employees during the opening of Bellagio Resort, Las Vegas. The two main focuses of MaryAnn and her team are: 1) to create quality training programs that prepare our employees to deliver an extraordinary and consistent guest experience and 2) to design and develop pathways, programs and systems to attract, develop, evaluate, and mobilize talent throughout our growing organization.

chef stephen lyons

Vice President of Culinary Operations

Chef Stephen Lyons was formerly Director of Food and Beverage and Executive Sous Chef at The Inn at Little Washington and Executive Sous Chef at the five-star, five-diamond Four Season's Hualalai. Chef will work out of our newly built test kitchen in Silver Spring, MD.

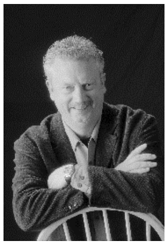
Great Advisors

GREAT ADVISORS

chris sullivan

Chris founded Outback Steakhouse in 1988 and led the company through its exceptional growth. The company, now Bloomin' Brands, had over 1,500 locations worldwide at last count. In a single year, Outback opened 152 locations.

bill allen

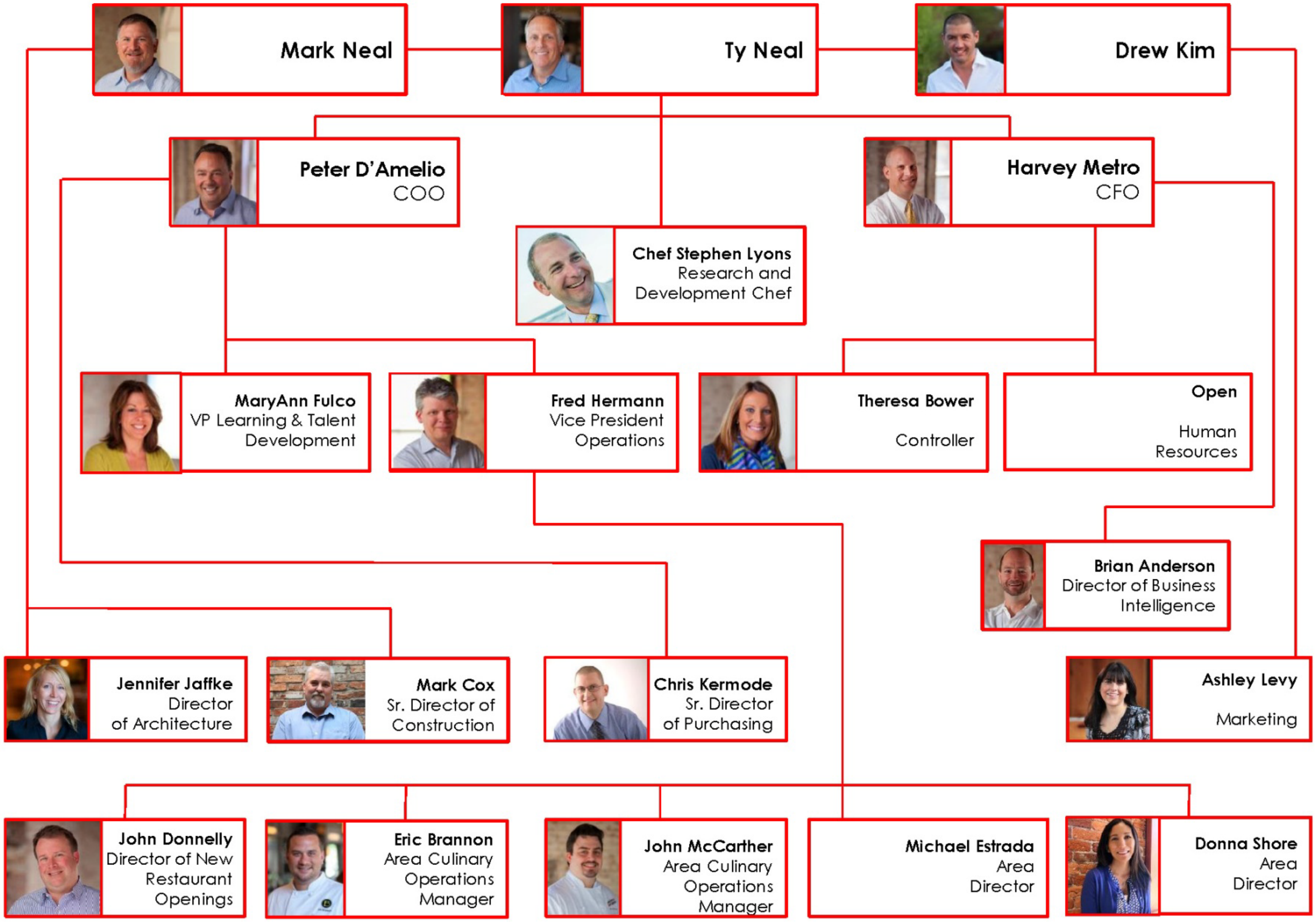


Bill has led some of the finest restaurant companies in the world, including Bloomin' Brands, which is also parent to Carrabba's, Roy's, and Bonefish Grill. Bill founded Fleming's Steakhouse, another growth brand under the Bloomin' Brands umbrella.

win sheridan

Win was one of our first investors. Win founded a large IT staffing company and grew it to a $942 million company in 2013.

Organizational Chart



16. Capitalization and Principal Equityholders

The Company and its members entered into its currently effective Operating Agreement on October 13, 2014 ("Current Operating Agreement"). Under the Current Operating Agreement, there are two classes of membership interest in the Company, Voting Class and Investor Class. The 3 Founders are the holders of the Voting Class membership interests, which is the only class entitled to vote and/or serve on the Company's Board of Managers.

Upon Eagle Bank's approval of the Second Amended Operating Agreement ("New Operating Agreement") and the conversion of the eight remaining subsidiary members, the Company's ownership will be divided into four classes of Units of membership interest: the voting class Units and three non-voting investor class Units of membership interest. The Founders, directly or through Capital E Holdings, LP, will hold the entirety of the voting class interests. The non-voting classes include: (1) Cash Flow Units, (2) Growth Units, and (3) the management class units (to be held primarily by those persons who are Officers or executives of the Company). The Subsidiary Members that exchange their interests in the individual subsidiary restaurant LLCs as a part of the Roll-Up will own either Cash Flow Units or Growth Units. The Cash Flow Units will return a fixed quarterly distribution but will not offer an opportunity for growth. In addition to the Cash Flow Units and Growth Units being offered through the Roll-Up and the Notes offered through this Memorandum, the Company also is and anticipates continuing to offer up to 20 million Growth Units at $1 each to Accredited Investors, only.

The new structure of the Company will be a single parent entity, **Matchbox** Food Group, LLC, and multiple 100% owned subsidiaries holding each of the operating restaurants, with the exception of **Matchbox** Palm Springs, LLC which will continue to be owned 50% by a joint venture partner.

The following table represents the new capital structure under the New Operating Agreement. This structure has been reviewed and informally approved by our senior lender and the presentation is made assuming the remaining subsidiary investors who have not yet converted to the parent level convert to growth units.

Matchbox Food Group, LLC		
Capitalization Table		
As of August 26, 2015		
Unit Holder	Units Held or To Be Held	Percentage Interest
Voting Class Value Growth Units		
Capital E Holdings	58,702,847	58.7%
Nonvoting Management Class Value Growth Units		
Harvey Metro	2,000,000	2%
Nonvoting Investor Class Value Growth Units		
Issued and Outstanding 8/26/2015	24,159,500	24.2%
Issued and Unsold 8/26/2015 (available for purchase)	4,220,000	4.2%
Convertible Notes issued and funded **	4,330,000	4.3%
Advisory Board	6,587,653	6.6%
Total Value Growth Units	**100,000,000**	
Cash Flow Units	245,000	N/A

* Since January 1, 2015, the company has raised $11,560,000 of new equity. $1 per unit, 100,000,000 available. These investors were indivdual investors, primarily follow on investments from the original investment group and their expanded friends and family. Between 2008 and 2014 this original group invested $10,360,000 over 5 raises to build 8 of our 12 restaurants. Their investment converted to the parent level raise at 1.2x converting to 12,456,000 units.

** During, 2015 we issued 3 convertible notes which allows the noteholder to convert to either value growth (equity) units or to the subordinated note at a point in the future when we meet sales goals. These notes carry a $1,000,000 minimum.

We are implementing an employee ownership program with grants which will cause the Capital E Holdings % ownership to change.

Expected payments due on the subordinated notes and cash flow units are as follows:

	Amount	2016	2017	2018	2019	2020
Subordinated Notes (10.125%)	$ 10,500,000	1,063,125	1,063,125	1,063,125	1,063,125	1,063,125
Subordinated Convertible Notes (5%-6%)	$ 4,330,000	235,500	153,900	114,300		
Cash Flow Units	$ 245,000	36,960	36,960	36,960	36,960	36,960
Total		1,335,585	1,253,985	1,214,385	1,100,085	1,100,085

Note that we assume that the convertible notes will be converted to value growth units during 2017 and 2018 causing interest payments to cease.

17. Certain Relationships; Related Transactions; Potential Conflicts of Interest

We are not aware of any relationships, transactions or potential conflicts of interest to be reported.

THE OFFERING

1. General Information

Matchbox, LLC, a subsidiary company, opened its first restaurant in 2003 and **Matchbox** Food Group, LLC now operates 11 full service and one fast casual restaurant. The Company growth plan calls for the opening of 36 additional **Matchbox** restaurants through 2020. The Company is issuing subordinated Notes, convertible debt, and equity to fund the expansion. The proceeds from these investments will be used to build and open restaurants.

2. The Notes

The Company is offering Subordinated Promissory Notes (the "Notes") in the principal amount of up to $10,500,000 to individuals and entities that qualify as "Accredited Investors" within the meaning of Regulation D under the Securities Act of 1933, as amended (the "Securities Act"). The Notes will bear a face value of $1 for every $1 loaned to the Company, and will obligate the Company to pay the holder of the Notes cash equal to the face value of the Notes upon maturity. The Notes will accrue interest at a non-compounding rate of 10.125% per annum, which shall be paid quarterly. The Notes will be pari passu with the Company's present convertible debt which totals 4,330,000 but senior to all other unsecured obligations, and subordinate to the Company's current and future bank debt. The Notes may also be subordinate to certain landlords' positions, including certain landlords of the Company's wholly-owned restaurant operating subsidiaries. Currently, such bank debt consists of term loans issued to each of our restaurant subsidiary LLCs and guaranteed by the Company, plus a $400,000 revolving line of credit and a $500,000 term loan to the Company. There will be no sinking fund or reserve established by the Company for the purpose of funding the repayment of principal and/or interest on the Notes. The Notes will not be secured by the assets of the Company. As of August 4, 2015, the Company had senior bank debt outstanding of $10,280,459. Each additional restaurant is expected to carry between $1,500,000 and $2,200,000 of senior bank debt. Interest rates will be determined by the market and recent loans have been issued at 5.5%.

3. Offering Amount

A Purchaser may purchase a minimum of one (1) Note, in the principal amount of $5,000 per Note ("Minimum Purchase"). **MATCH**BOX FOOD GROUP, LLC reserves the right to accept subscriptions in excess of the Minimum Purchase if such subscriptions are deemed by **MATCHBOX** FOOD GROUP, LLC, in its sole discretion, to be in its best interests. The maximum aggregate number of Notes that a Purchaser may purchase is 2,100, in the aggregate amount of $10,500,000. On the date of each closing, the funds will be deposited in the Company's account and the Notes will be promptly issued to the Purchaser. The Date of Issuance ("Date of Issuance") will be the date of the first such closing. There is no minimum amount of Notes that the Company is required to sell before conducting an initial closing. Thereafter, the Company may have additional closings in its discretion during the Offering Period. The Company reserves the right to terminate this Offering at any time.

4. Offering Period

The Offering of the Notes will commence upon the date of this Memorandum and will terminate at the earlier of: (i) the date upon which the Company closes on subscriptions for $10,500,000 in principal amount of Notes; or (ii) March 31, 2016 (the "Offering Period").

5. Maturity and Prepayment

The Notes will mature seven (7) years from the Date of Issuance, and are callable at the Company's option at the end of the third (3rd) year. If called prior to maturity, the Company will pay a prepayment premium amount equal to one percent (1%) of the principal amount, multiplied by the whole number of years between the date of the prepayment and the maturity date. Any unrepaid principal balance and any unpaid interest will be due seven (7) years from the Date of Issuance, unless called earlier.

6. Plan of Distribution

The Notes will be offered either directly by the Company and its officers or through one or more broker-dealers (individually a "Broker-Dealer" and collectively the "Broker-Dealers") registered with FINRA (formerly the NASD) on a best efforts basis with fees of approximately four to eight percent (4% to 8%) being paid by the Company with respect to the Notes placed by any Broker-Dealer. The Company has agreed to indemnify all participating Broker-Dealers against certain liabilities, including liabilities under the Securities Act.

7. Note Purchase Agreement

The sale and purchase of the Notes will be made by way of the Note Purchase Agreement. Prospective Purchasers are urged to read and understand the Note Purchase Agreement as it contains the materials terms and conditions of the Offering, as well as sets forth the rights and obligations of the Purchasers and the Company with regard to the Notes. While the Company has used its best efforts to ensure that the statements and descriptions set forth in this Memorandum are complete and accurate, this Memorandum does not fully describe each of the provisions of the Note Purchase Agreement. In the event of any conflict between the statements in this Memorandum and the Note Purchase Agreement, the Note Purchase Agreement will control.

The provisions contained in the Note Purchase Agreement include provisions:

- that set forth the basic terms of the Notes that are offered for sale (please see Section 2 above for a description of the Notes);
- in which the Company makes certain representations and warranties to the Purchasers regarding its organization and good standing; its right to enter into the Note Purchase Agreement and to issue the Notes; its financial condition; the occurrence of material adverse events; the existence of any material litigation against the Company; and defaults or restrictions under any material agreements to which the Company is a party;
- in which each Purchaser makes certain representations regarding his or her authority to enter into the Note Purchase Agreement and to purchase the Notes, as well as certain representations regarding his or her status as an Accredited Investor qualified to purchase a Note under the Securities Act (please see Section 9 below for a description of the requirements about which prospective Purchasers will be asked to make representations and warranties);
- that set forth the extent to which the Notes are subordinated to other obligations of the Company;
- in which the Company makes certain covenants to the Purchasers regarding the repayment of the Notes, its operations and the conditions on which special transactions may be undertaken while the Notes remain outstanding; and
- that set forth certain occurrences that constitute events of default under the Notes that may entitle the holders of the Notes to certain rights and remedies.

8. Use of Proceeds

Assuming the sale of all of the Notes offered hereby, the cash proceeds from the Offering to the Company are expected to be approximately $10,500,000, less payment of fees to certain broker-dealers and all legal, accounting and miscellaneous fees and expenses related to this Offering. The Company intends to build and open new restaurants with these funds.

The Company plans to open two main construction styles of restaurants, “in line” and “pad sites.” An in-line location will have at least one common wall to another merchant in a center. A pad site is a separate structure, disconnected from any other building. Pad sites are generally found at the outside edge of shopping and lifestyle center parking lots, whereas the in line locations are connected to the main center.

The following is a general estimate of the costs to open new restaurants:

- A 6,000 to 8,000 square foot in line location is estimated to cost between $4,000,000 and $4,250,000 to build and open. A pad site of 8,000 to 10,000 square feet is estimated to cost between $4,250,000 and $6,500,000 to build and open.
- The center owners that we have leased from in the past have generally contributed between $1,000,000 and $3,000,000 to the construction costs, depending on a number of variables including lease terms, size and location.
- Our bank and primary lender has loaned us 60-70% of the remainder in the past and we anticipate that they will continue that lending.
- We plan to use the Offering proceeds for the balance ($1,200,000 in the example below).

Example New Restaurant Unit Costs	
Cost to build and open	**$ 5,000,000**
Landlord contribution	**$ 2,000,000**
Bank Loan	**$ 1,600,000**
Matchbox Food Group Equity Contribution	**$ 1,200,000**

9. Prospective Purchasers

The Company may sell Notes only to individuals and entities that qualify as "Accredited Investors" as defined in Rule 501(a) of Regulation D of the Securities Act. Company Notes will only be sold to those investors who are verified as Accredited Investors. As part of verifying status as an Accredited Investor, a potential investor may be asked to submit supporting documentation.

Under Regulation D of the Securities Act, an "Accredited Investor" is generally an individual: (a) whose net worth (including the net worth of a spouse) exceeds $1,000,000 at the time of purchase; or (b) whose annual income exceeded $200,000 (or joint income with spouse exceeded $300,000) for each of the past two calendar years and who has a reasonable expectation of achieving the required income level in the current year. Certain entities such as corporations, partnerships and employee benefit plans are considered to be Accredited Investors if the entity was not formed for the purpose of making the specific investment and if the entity has net assets of at least $5,000,000 or if each of the owners of the entity would individually qualify as an Accredited Investor.

RISK FACTORS

Before a prospective Purchaser purchases a Note, such Purchaser should be aware that the occurrence of any of the events described in this Risk Factors section and elsewhere in this Memorandum could have a material adverse effect on the business, financial condition and results of operations of the Company, which in turn may adversely impact the Company's ability to make the payments required under the Notes. Prospective Purchasers should carefully consider these risk factors, together with all of the other information included in this Memorandum and in documents incorporated by reference before deciding to purchase a Note.

1. Risks Related to Our Business

a. Our Financial Results Depend Significantly upon the Success of Our Existing and New Restaurants

Future growth in our revenue and profits will depend on our ability to maintain or grow sales and efficiently manage costs in our existing and new restaurants. Currently, we have 6 **Matchbox** restaurants 5 **Ted's Bulletin** restaurants and a single location of **DC-3**. The results achieved by our current restaurants may not be indicative of longer-term performance or the potential market acceptance of our current or possible future restaurant concepts in other locations. Additionally, the success of one restaurant concept may not be indicative or predictive of the success of the other.

The success of our restaurants depends principally upon generating and maintaining guest traffic, loyalty, and achieving positive margins. Significant factors that might adversely affect guest traffic, loyalty and profit margins include:

- economic conditions, including housing market downturns, rising unemployment rates, lower disposable income, credit conditions, fuel prices and consumer confidence and other events or factors that adversely affect consumer spending in the markets we serve;
- competition in the restaurant industry, particularly in the casual and polished casual dining segments;
- changes in consumer preferences;
- our guests' failure to accept menu price increases that we may make to offset increases in certain operating costs;
- our reputation and consumer perception of our concepts' offerings in terms of quality, price, value, ambience and service; and

- our guests' actual experiences from dining in our restaurants.

Our restaurants are also susceptible to increases in certain key operating expenses that are either wholly or partially beyond our control, including:

- food and other raw materials costs, many of which we cannot effectively hedge;
- compensation costs, including wage, workers' compensation, health care and other benefits expenses;
- rent expenses and construction, remodeling, maintenance and other costs under leases for our new and existing restaurants;
- compliance costs as a result of changes in regulatory or industry standards;
- energy, water and other utility costs;
- costs for insurance (including health, liability and workers' compensation);
- information technology and other logistical costs; and
- expenses due to litigation against us.

b. We May Not Be Able to Manage Our Growth

Our expansion strategy will depend upon our ability to open and operate additional restaurants profitably. The opening of new restaurants will depend on a number of factors, many of which are beyond our control. These factors include, among others, the availability of management, restaurant staff, and other personnel, the cost and availability of suitable restaurant locations, cost-effective and timely planning, design and build out of restaurants, acceptable leasing terms, acceptable financing, and securing required governmental permits. Although we have formulated our business plans and expansion strategies based on certain estimates and assumptions we believe are reasonable, we anticipate that we will be subject to changing conditions that will cause certain of these estimates and assumptions to be incorrect. For example, our restaurants may not open at the planned time due to factors beyond our control, including, among other factors, site selection, negotiations with landlords, and construction or permitting delays.

c. We May Not Be Successful When Entering New Markets

When expanding the **Matchbox** and **Ted's Bulletin** concepts, we will enter new markets in which we may have limited or no operating experience. There can be no assurance that we will be able to achieve success and/or profitability in our new markets or in our new restaurants. The success of these new restaurants will be affected by the different competitive conditions, consumer tastes, and discretionary spending patterns within the new markets, as well as by our ability to generate market awareness of the **Matchbox** and **Ted's Bulletin** brands. New restaurants typically require several months of operation before achieving normal levels of profitability. When we enter highly competitive new markets or territories in which we have not yet established a market presence, the realization of our revenue targets and desired profit margins may be more susceptible to volatility and/or more prolonged than anticipated.

d. Our Success Depends Substantially on The Value of Our Brands and Unfavorable Publicity Could Harm Our Business

Multi-unit restaurant businesses such as ours can be adversely affected by publicity resulting from complaints, litigation, or general publicity regarding poor food quality, food-borne illness, personal injury, food tampering, adverse health effects of consumption of various food products or high-calorie foods (including obesity), or other concerns. Negative publicity from traditional media or online social network postings may also result from actual or alleged incidents or events taking place in our restaurants.

There has been a marked increase in the use of social media platforms and similar devices, including weblogs (blogs), social media websites, and other forms of Internet-based communications which allow individuals access to a broad audience of consumers and other interested persons. Consumers value readily available information concerning goods and services that they have or plan to purchase, and may act on such information without further investigation or authentication. The availability of information on social media platforms is virtually immediate as is its impact. Many social media platforms immediately publish the content their subscribers and participants can post, often without filters or checks on accuracy of the content posted. The opportunity for dissemination of information, including inaccurate information, is seemingly limitless and readily available. Information concerning our Company may be posted on such platforms at any time. Information posted may be adverse to our interests or may be inaccurate, each of which may harm our performance, prospects, or business. The harm may be immediate without affording us an opportunity for redress or correction. Such platforms also could be used for dissemination of trade secret information, compromising valuable Company assets. In sum, the dissemination of information online could harm our business, prospects, financial condition, and results of operations, regardless of the information's accuracy.

Regardless of whether any public allegations or complaints are valid, unfavorable publicity relating to a number of our restaurants, or only to a single restaurant, could adversely affect public perception of the entire brand. Adverse publicity and its effect on overall consumer perceptions of food safety, or our failure to respond effectively to adverse publicity, could have a material adverse effect on our business. We must protect and grow the value of our brands to continue to be successful in the future. Any incident that erodes consumer trust in or affinity for our brands could significantly reduce their value. If consumers perceive or experience a reduction in food quality, service, ambiance, or in any way believe we failed to deliver a consistently positive experience, the value of our brands could suffer.

e. Our Inability to Renew Existing Leases or Enter into New Leases For New or Relocated Restaurants on Favorable Terms May Adversely Affect Our Results of Operations

As of the date of December 28, 2014, all of our restaurants are located on leased premises and are subject to varying lease-specific arrangements. Lease escalations occur each year or five years depending on the lease. Additionally, a few leases require contingent rent based on a percentage of gross sales. When our leases expire in the future, we will evaluate the desirability of renewing such leases. While we currently expect to pursue all renewal options, no guarantee can be given that such leases will be renewed or, if renewed, that rents will not increase substantially. The success of our restaurants depends in large part on their leased locations. As demographic and economic patterns change, current leased locations may or may not continue to be attractive or profitable. Possible declines in trade areas where our restaurants are located or adverse economic conditions in surrounding areas could result in reduced revenue in those locations. In addition, desirable lease locations for new restaurant openings or for the relocation of existing restaurants may not be available at an acceptable cost when we identify a particular opportunity for a new restaurant or relocation.

f. Economic Conditions Could Have a Material Adverse Impact on Our Landlords in Retail Centers in Which We Are Located

Our landlords may be unable to obtain financing or remain in good standing under their existing financing arrangements, resulting in failures to pay required construction contributions or satisfy other lease covenants to us. If our landlords fail to satisfy required co-tenancies, such failures may result in our terminating leases or delaying openings in these locations. Also, decreases in total tenant occupancy in retail centers in which we are located may affect guest traffic at our restaurants. All of these factors could have a material adverse impact on our operations.

g. A Decline in Visitors to Any of the Business Districts Near The Locations of Our Restaurants Could Negatively Affect Our Restaurant Sales

Some of our restaurants are located near high-activity areas such as retail centers, big-box shopping centers, and entertainment centers. We depend on high visitor rates at these businesses to attract guests to our restaurants. If visitors to these centers decline due to economic conditions, closure of big-box retailers, road construction, changes in consumer preferences or shopping patterns, changes in discretionary consumer spending or otherwise, our restaurant sales in these areas could decline significantly and adversely affect the results of our operations.

h. Because Many of Our Restaurants are Concentrated in Local or Regional Areas, We are Susceptible to Economic and Other Trends and Developments, Including Adverse Weather Conditions, in These Areas

Our financial performance will be highly dependent on restaurants located in the Washington, DC, South Florida and Texas markets. As a result, adverse economic conditions in any of these areas could have a material adverse effect on our overall results of operations. In recent years, certain of these states have been more negatively impacted by the housing decline, high unemployment rates, and the overall economic crisis than other geographic areas. In addition, other regional occurrences such as local strikes, terrorist attacks, increases in energy prices, adverse weather conditions, hurricanes, droughts, or other natural or man-made disasters may occur. In particular, adverse weather conditions can impact guest traffic at our restaurants, cause the temporary underutilization of certain seating areas, and, in more severe cases, cause temporary restaurant closures, sometimes for prolonged periods.

i. Legal Actions Could Have an Adverse Effect on Us

Like other restaurants, we expect we may receive complaints or litigation from, and potential liability to, our guests involving food-borne illness or injury or other operational issues, such as injuries suffered by guests. We may also be subject to complaints or allegations from, and potential liability to, our former, existing, or prospective employees involving our restaurant employment practices and procedures or from future or existing owners of membership interests in the Company or its subsidiaries. Regardless of whether any claims against us are valid or whether we are liable, our sales may be adversely affected by publicity resulting from such claims. Such claims may also be expensive to defend and may divert time and money away from our operations and adversely affect our financial condition and results of operations. We do carry a full line of insurance to protect us from anticipated and unanticipated losses.

j. We May Not Be Able to Obtain and Maintain Licenses and Permits Necessary to Operate Our Restaurants

The restaurant industry is subject to various federal, state, and local government licensure and permitting requirements, including those relating to the sale of food and alcoholic beverages. The failure to obtain and maintain these licenses, permits, and approvals, including food and liquor licenses, could adversely affect our operating results. Difficulties or failure to obtain any required licenses, permits, or other government approvals could delay or result in our decision to cancel the opening of new restaurants. Local authorities may revoke, suspend, or deny renewal of our food and liquor licenses if they determine that our conduct violates applicable regulations. We have engaged a professional licensing firm to obtain and manage our licenses at each of our existing and new locations.

k. The Sale of Alcoholic Beverages at Our Restaurants Subjects Us to Additional Regulations and Potential Liability

For fiscal year 2014, approximately 18% of our consolidated restaurant sales were attributable to the sale of alcoholic beverages. Our restaurants sell alcoholic beverages and, as such, we are required to comply with the alcohol licensing requirements of the federal government, states, and municipalities where our restaurants are located. Alcoholic beverage control regulations require applications to state authorities and, in certain locations, county and municipal authorities for a license and permit to sell alcoholic beverages on the premises. Typically, the licenses are renewed annually and may be revoked or suspended for cause at any time. Alcoholic beverage control regulations relate to numerous aspects of the daily operations of the restaurants, including minimum age of guests and team members, hours of operation, advertising, wholesale purchasing, inventory control and handling, storage, and dispensing of alcoholic beverages. If we fail to comply with federal, state, or local regulations, our licenses may be revoked and we may be forced to terminate the sale of alcoholic beverages at one or more of our restaurants.

In certain states, we are subject to "dram shop" statutes, which generally allow a person injured by an intoxicated person the right to recover damages from an establishment that wrongfully served alcoholic beverages to the intoxicated person. Some dram shop litigation against restaurant companies has resulted in significant judgments, including punitive damages.

l. *We May Not Be Able to Protect Our Trademarks, Service Marks, and Trade Secrets*

Our domestically-registered trademarks and service marks include **Matchbox** Vintage Pizza Bistro, **Ted's Bulletin**, **DC-3**, Eat **DC-3** and related logos, drawings, colors and other protections. We place considerable value on our trademarks, service marks, trade secrets, and other proprietary rights and believe they are important to our brand-building efforts and the marketing of our restaurant concepts. We intend to actively enforce and defend our intellectual property, however, we cannot predict whether the steps taken by us to protect our proprietary rights will be adequate to prevent misappropriation of these rights or the use by others of restaurant features based upon or similar to our concepts. Although we believe we have sufficient protections concerning our trademarks and service marks, we may face claims of infringement that could interfere with our ability to market our restaurants and promote our brand. We also cannot be sure that our marks are valuable; that using our marks does not, or will not, violate others' marks; that the registrations of our marks would be upheld if challenged; or that we would not be prevented from using our marks in areas of the country where others might have already established rights to them. Any of these uncertainties could have an adverse effect on us and our expansion strategy.

m. *We Are Dependent on Information Technology and Any Material Failure of That Technology Could Impair Our Ability to Efficiently Operate Our Business*

We rely on information systems across our operations, including, for example, point-of-sale processing in our restaurants, management of our supply chain, collection of cash, payment of obligations, and various other processes and procedures. Our ability to efficiently manage our business depends significantly on the reliability and capacity of these systems. The failure of these systems to operate effectively, problems with maintenance, upgrading or transitioning to replacement systems, or a breach in security of these systems could cause delays in guest service and reduce efficiency in our operations. Significant capital investments might be required to remediate any problems.

n. There Can Be No Assurances That, in the Future, We Will Be in Compliance With All Covenants of Our Current or Future Debt Agreements or That Our Lenders Will Waive Any Violations of Such Covenants

Non-compliance with our debt covenants could have a material adverse effect on our business, results of operations, and financial condition. Non-compliance may result in us being in default under our debt agreements, which could cause a substantial financial burden by requiring us to repay our debt earlier than otherwise anticipated.

o. Our Current Insurance May Not Provide Adequate Levels of Coverage Against Claims

We currently maintain insurance that is customary and required in our leases. However, there are types of losses we may incur that cannot be insured against or that we believe are not economically reasonable to insure against, such as losses due to natural disasters. Such damages could have a material adverse effect on our business and the results of operations. Additionally, there is no assurance that we will be able to maintain our current coverage at acceptable premium rates or that any coverage will be available to us in the future.

p. We May Incur Costs Resulting From Security Risks We Face in Connection With Our Electronic Processing and Transmission of Confidential Guest Information.

We accept electronic payment cards from our guests in our restaurants. For the fiscal year ended December 28, 2014, approximately 90% of our sales were attributable to credit/debit card transactions, and credit/debit card usage could continue to increase. A number of restaurant operators and retailers have experienced actual or potential security breaches in which credit/debit card information may have been stolen. While we have taken reasonable steps to prevent the occurrence of security breaches in this respect, we may in the future become subject to claims for purportedly fraudulent transactions arising out of the actual or alleged theft of credit/debit card information, and we may also be subject to lawsuits or other proceedings in the future relating to these types of incidents. Proceedings related to theft of credit/debit card information may be brought by payment card providers, banks, and credit unions that issue cards, cardholders (either individually or as part of a class action lawsuit), and federal and state regulators. Any such proceedings could distract our management team members from running our business and cause us to incur significant unplanned losses and expenses.

We also receive and maintain certain personal information about our team members. The use of this information by us is regulated at the federal and state levels. If our security and information systems are compromised or our team members fail to comply with these laws and regulations and this information is obtained by unauthorized persons or used inappropriately, it could adversely affect our reputation, as well as the results of operations, and could result in litigation against us or the imposition of penalties. In addition, our ability to accept credit/debit cards as payment in our restaurants and online depends on us maintaining our compliance status with standards set by the PCI Security Standards Council. These standards, set by a consortium of the major credit card companies, require certain levels of system security and procedures to protect our guests' credit/debit card information as well as other personal information. Privacy and information security laws and regulations change over time, and compliance with those changes may result in cost increases due to necessary system and process changes.

q. Our Inability or Failure to Effectively Manage Our Marketing Through Social Media Could Materially Adversely Impact Our Business.

As part of our marketing efforts, we rely on search engine marketing and social media platforms such as Facebook, Twitter and Instagram to attract and retain guests. We also are initiating a multi-year effort to implement a new website that will allow us to digitally engage with our guests and team members and strengthen our marketing and analytics capabilities. These initiatives may not be successful, resulting in expenses incurred without the benefit of higher revenues or increased employee engagement. In addition, a variety of risks are associated with the use of social media, including the improper disclosure of proprietary information, negative comments about our Company, exposure of personally identifiable information, fraud, or out-of-date information. The inappropriate use of social media vehicles by our guests or team members could increase our costs, lead to litigation, or result in negative publicity that could damage our reputation.

r. We May Not Receive the Required Approvals Necessary to Complete our Roll-Up and/or Second Amended Operating Agreement

We may not receive the necessary approvals from the Company's bank to complete our Roll-Up and/or Second Amended Operating Agreement. Issues related to receiving such approvals or a possible dispute with dissenting Subsidiary Members could involve litigation, which may be costly and could have a significant adverse effect on us and our expansion strategy.

2. **Risks Related to the Restaurant Industry**

a. *Competition In The Restaurant Industry May Affect Our Ability to Compete Effectively*

The restaurant industry is intensely competitive. We believe we compete primarily with regional and local casual dining concepts, and polished casual establishments. Many of our direct and indirect competitors are well-established national, regional, or local chains with a greater market presence than us. Further, some competitors have substantially greater financial, marketing, and other resources than us. Competition in the casual dining, polished casual, and quick-service segments of the restaurant industry is expected to remain intense with respect to price, service, location, concept, and the type and quality of food. We also face intense competition for real estate sites, qualified management personnel, and hourly restaurant staff.

b. *New Restaurants Added to Our Existing Markets May Take Sales From Existing Restaurants*

New restaurants added to our existing markets, whether by us or others, may take sales away from our existing restaurants. Because we intend to open restaurants in our existing markets, and others may intend the same, this may impact revenue earned by our existing restaurants.

c. *Higher-Than-Anticipated Costs Associated With the Opening of New Restaurants or With the Closing, Relocating, or Remodeling of Existing Restaurants May Adversely Affect Our Results of Operations*

Our revenue and expenses may be significantly impacted by the location, number, and timing of the opening of new restaurants and the closing, relocating, and remodeling of existing restaurants. We incur substantial pre-opening expenses each time we open a new restaurant and will incur other expenses if we close, relocate or remodel existing restaurants. These expenses are generally higher when we open restaurants in new markets, but the costs of opening, closing, relocating, or remodeling any of our restaurants may be higher than anticipated. An increase in such expenses could have an adverse effect on our results of operations.

d. Fluctuations In The Cost of Food Could Impact Operating Results

Our primary food products include flour, cheese, ground beef and others. Our food, beverage, and packaging costs could be significantly affected by increases in the cost of these ingredients, which can result from a number of factors, including but not limited to, seasonality, cost of corn and grain, animal disease, drought and other weather phenomena, increase in demand domestically and internationally, and other factors that may affect availability. Additionally, if there is a significant rise in the price of our primary products and we are unable to successfully adjust menu prices or menu mix or otherwise make operational adjustments to account for the higher prices, our operating results could be adversely affected.

e. Shortages or Interruptions in the Availability and Delivery of Food and Other Supplies May Increase Costs or Reduce Revenue

Possible shortages or interruptions in the supply of food items and other supplies to our restaurants caused by inclement weather, terrorist attacks, natural disasters such as floods, drought, and hurricanes, pandemics, the inability of our vendors to obtain credit in a tightened credit market, food safety warnings or advisories, or the prospect of such pronouncements, or other conditions beyond our control, could adversely affect the availability, quality, and cost of items we buy and the operations of our restaurants. Our inability to effectively manage supply chain risk could increase our costs and limit the availability of products critical to our restaurant operations.

f. Increases In Our Compensation Costs, including as a Result of Changes in Government Regulation, Could Slow our Growth or Harm Our Business

We are subject to a wide range of compensation costs. Because our compensation costs are, as a percentage of revenue, higher than other industries, we may be significantly harmed by compensation cost increases. Unfavorable fluctuations in market conditions, availability of such insurance, or changes in state and/or federal regulations could significantly increase our insurance premiums. In addition, we are subject to the risk of employment-related litigation at both the state and federal levels, including claims styled as class action lawsuits, which are more costly to defend. Also, some employment-related claims in the area of wage and hour disputes are not insurable risks.

g. Significant Increases in Health Care Costs May Also Continue to Occur, and We Can Provide No Assurance That We Will Be Able to Effectively Contain Those Costs. Further, We Are Continuing to Assess the Impact of Recently-Adopted Federal Health Care Legislation On Our Health Care Benefit Costs and Significant Increases in Such Costs Could Adversely Impact Our Operating Results.

In addition, many of our restaurant personnel are hourly team members subject to various minimum wage requirements or changes to existing tip credit laws. Mandated increases in minimum wage levels and changes to the tip credit laws, which dictate the amounts an employer is permitted to assume an team member receives in tips when calculating the team member's hourly wage for minimum wage compliance purposes, have recently been and continue to be proposed and implemented at both federal and state government levels. Continued minimum wage increases or changes to allowable tip credits may further increase our compensation costs or effective tax rate.

Various states in which we operate are considering or have already adopted new immigration laws, and the U.S. Congress and Department of Homeland Security from time to time consider or implement changes to federal immigration laws, regulations, or enforcement programs as well. Some of these changes may increase our obligations for compliance and oversight, which could subject us to additional costs and make our hiring process more cumbersome, or reduce the availability of potential team members. Although we require all team members to provide us with government-specified documentation evidencing their employment eligibility, some of our team members may, without our knowledge, be unauthorized team members. Unauthorized team members are subject to deportation and may subject us to fines or penalties, and if any of our team members are found to be unauthorized, we could experience adverse publicity that negatively impacts our brand and may make it more difficult to hire and keep qualified team members. Termination of a significant number of team members that, unbeknownst to us, were unauthorized team members may disrupt our operations, cause temporary increases in our compensation costs as we train new team members and result in additional adverse publicity. Our financial performance could be materially harmed as a result of any of these factors.

h. Changes in Public Health Concerns and Legislation and Regulations Requiring the Provision of Nutritional Information May Impact Our Performance

Government regulation and consumer eating habits may impact our business as a result of changes in attitudes regarding diet and health or new information regarding the health effects of consuming our menu offerings. These changes have resulted in, and may continue to result in, the enactment of laws and regulations that impact the ingredients and nutritional content of our menu offerings, or laws and regulations requiring us to disclose the nutritional content of our food offerings. For example, a number of states, counties, and cities have enacted menu labeling laws requiring multi-unit restaurant operators to disclose certain nutritional information available to guests, or have enacted legislation restricting the use of certain types of ingredients in restaurants. The U.S. health care reform law included nation-wide menu labeling and nutrition disclosure requirements as well, and our restaurants will be covered by these national requirements when they go into effect. The final rule was published on December 1, 2014 and requires implementation by December 1, 2015. Although the federal legislation is intended to preempt conflicting state or local laws on nutrition labeling, until we are required to comply with the federal law, we will be subject to a patchwork of state and local laws and regulations regarding nutritional content disclosure requirements. Many of these requirements are inconsistent or are interpreted differently from one jurisdiction to another. The effect of such labeling requirements on consumer choices, if any, is unclear at this time. We cannot make any assurances regarding our ability to effectively respond to changes in consumer health perceptions or our ability to successfully implement the nutrient content disclosure requirements and to adapt our menu offerings to trends in eating habits. The imposition of menu-labeling laws could have an adverse effect on our results of operations and financial position, as well as the restaurant industry in general.

Further, growing movements to change laws relating to alcohol may result in a decline in alcohol consumption at our restaurants or increase the number of dram shop claims made against us, either of which may negatively impact operations or result in the loss of liquor licenses.

i. Changes in Consumer Preferences or Discretionary Consumer Spending Could Harm Our Performance

Our success depends, in part, upon the continued popularity of our pizza and mini-burgers, other food and beverage items, and the appeal of our restaurant concepts. We also depend on trends toward consumers eating away from home. Shifts in these consumer preferences could negatively affect our future profitability. Such shifts could be based on health concerns related to the cholesterol, carbohydrate, fat, calorie, or salt content of certain food items, including items featured on our menu. Negative publicity over the health aspects of such food items may adversely affect consumer demand for our menu items and could result in a decrease in guest traffic to our restaurants, which could materially harm our business. In addition, our success depends, to a significant extent, on numerous factors affecting discretionary consumer spending, general economic conditions (including the continuing effects of the recent recession), disposable consumer income, and consumer confidence. A decline in consumer spending or in economic conditions could reduce guest traffic or impose practical limits on pricing, either of which could harm our business, financial condition, operating results, or cash flow.

3. <u>Risks Related to Financing</u>

a. Our Ability to Raise Capital in the Future May Be Limited, Which Could Adversely Impact Our Business

Changes in our restaurant operations, lower than anticipated restaurant sales, increased food or compensation costs, increased property expenses, acceleration of our expansion plans, or other events, including those described in this Memorandum, may cause us to seek additional debt or equity financing on an accelerated basis. Financing may not be available to us on acceptable terms, and our failure to raise capital when needed could negatively impact our restaurant growth plans as well as our financial condition and the results of operations. Additional equity financing, if available, may be dilutive to the holders of our equity units. Debt financing may involve significant cash payment obligations, covenants, and financial ratios that may restrict our ability to operate and grow our business.

4. <u>Risks Related to Management</u>

a. The Loss of Key Executives Could Affect Our Performance

Our success depends substantially on the contributions and abilities of key executives and other team members. The loss of any of our executive officers could jeopardize our ability to meet our financial targets. In particular, we are highly dependent upon the services of Ty Neal, Mark Neal, Drew Kim, Peter D'Amelio and Harvey Metro. We do have employment agreements with these individuals. Our inability to retain the full-time services of any of these people could have an adverse effect on us, and there would likely be a difficult transition period in finding suitable replacements for any of them.

b. We May Not Be Able to Attract and Retain Qualified Team Members to Operate and Manage Our Restaurants

The success of our restaurants depends on our ability to attract, motivate, develop, and retain a sufficient number of qualified restaurant team members, including managers and hourly team members. The inability to recruit, develop, and retain these individuals may delay the planned openings of new restaurants or result in high team member turnover in existing restaurants, thus increasing the cost to efficiently operate our restaurants. This could inhibit our expansion strategy and business performance and negatively impact our operating results.

c. We Are Significantly Influenced by Our Officers, Directors and Entities Affiliated with Them

In the aggregate, the Founders of the Company will control all of the issued and outstanding voting units of the Company. Thus, the Founders will be able to significantly influence all matters requiring approval by the Company, including the election of directors and the approval of all business undertakings. These unitholders may take actions that adversely affect the Company, which could affect the value of your investment.

5. <u>Risks Related to the Offering</u>

a. The Notes Have Limited Transferability and Liquidity

The Notes must be acquired for investment purposes only and not with a view to resale or distribution. The Notes will not be registered under the Securities Act and in offering the Notes the Company will rely upon one or more exemptions from registration. No public market exists for any of the Company's securities, no market will exist as a result of this Offering, and no such market is expected to develop in the future. Accordingly, there is no assurance that an investor will ever be able to liquidate his or her investment in the Company.

b. We are Subject to Compliance with State and Federal Securities Laws

This Offering has not been registered under the Securities Act in reliance upon one or more exemptions from registration promulgated by the Securities and Exchange Commission ("SEC"). It is currently anticipated that reliance will also be made on certain available exemptions under applicable state securities laws. Further, the time and capital resources of the Company could be adversely affected by the Company's need to defend an action by enforcement authorities of the SEC or the securities agency of a particular state or by a private plaintiff, even if the Company is ultimately exonerated.

IN ADDITION TO THE ABOVE RISKS, BUSINESSES ARE OFTEN SUBJECT TO RISKS NOT FORESEEN OR FULLY APPRECIATED BY MANAGEMENT. IN REVIEWING THIS MEMORANDUM, POTENTIAL PURCHASERS SHOULD KEEP IN MIND OTHER POSSIBLE RISKS THAT COULD BE IMPORTANT.

INVESTOR SUITABILITY STANDARDS REPRESENT MINIMUM REQUIREMENTS FOR INVESTORS AND THE SATISFACTION OF THESE STANDARDS DOES NOT NECESSARILY MEAN THAT THE NOTES ARE A SUITABLE INVESTMENT FOR ANY INVESTOR. THE ECONOMIC BENEFIT FROM AN INVESTMENT IN THE COMPANY DEPENDS UPON MANY FACTORS BEYOND THE CONTROL OF THE COMPANY. ACCORDINGLY, THE SUITABILITY FOR ANY PARTICULAR INVESTOR OF A PURCHASE OF THE NOTES WILL DEPEND UPON, AMONG OTHER THINGS, SUCH INVESTOR'S INVESTMENT OBJECTIVES AND SUCH INVESTOR'S ABILITY TO ACCEPT SPECULATIVE RISKS. AN INVESTMENT IN THE NOTES MAY NOT BE A SUITABLE INVESTMENT FOR YOU.

TAX CONSIDERATIONS

The tax consequences of purchasing a Note and the payments made on the Notes are complex and will vary depending on the prospective Purchaser's tax situation. Therefore, an investment in the Company requires careful tax planning. Accordingly, prospective Purchasers should consult with and rely only on the advice of their tax advisors, attorneys or accountants on matters relating to this investment with special reference to their own situation.

PROCEDURE FOR PURCHASING A NOTE

If a prospective Purchaser desires to subscribe for a Note, the Purchaser should execute a Note Purchase Agreement in their online investing account at Folio Investing or Folio Institutional, provide the information necessary to demonstrate accredited investor status, and deposit the funds in the appropriate amount based on the Notes purchased. All of these steps will be taken online when the Notes are purchased through an online system.

Additional Information

During the course of the Offering and prior to any sale, each prospective Purchaser of the Notes and his or her professional advisor(s), if any, are invited to ask questions concerning the terms and conditions of the Offering and to obtain any additional information necessary to verify the accuracy of the information set forth herein. Such information will be provided to the extent the Company possesses such information or can acquire it without unreasonable effort or expense.

Each prospective Purchaser will be afforded, and should seek, the opportunity to obtain any additional information which such prospective investor may reasonably request, to ask questions of, and to receive answers from, the Company or any other person authorized by the Company to act, concerning the terms and conditions of the Offering, the information set forth herein and any additional information which such prospective investor believes is necessary to evaluate the merits of the Offering, as well as to obtain additional information necessary to verify the accuracy of information set forth herein or provided in response to such prospective investor's inquiries. Any prospective investor having any questions or desiring additional information should contact:

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