As filed with the Securities and Exchange Commission on January 6, 2017

Registration No. 333-215268

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AMENDMENT NO. 1
TO
FORM S-3
REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933

RAVE RESTAURANT GROUP, INC.
(Exact name of registrant as specified in its charter)

Missouri	**45-3189287**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

3551 Plano Parkway
The Colony, Texas 75056
(469) 384-5000
(Address, including zip code, and telephone number,
including area code, of registrant's principal executive offices)

Clinton J. Coleman
Interim President and Chief Executive Officer
Rave Restaurant Group, Inc.
3551 Plano Parkway
The Colony, Texas 75056
(469) 384-5000
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:
Steven D. Davidson
Melissa M. Winchester
McGuire, Craddock & Strother, P.C.
2501 N. Harwood
Suite 1800
Dallas, Texas 75201
(214) 954-6800

Approximate date of commencement of proposed sale to the public:
From time to time after the effective date of this registration statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. ☐

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, please check the following box. ☒

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. ☐

If this Form is a post-effective amendment to a registration statement pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☒

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
4% Convertible Senior Notes due 2022, par $100, issuable upon exercise of nontransferable rights	$3,000,000 (1)	$100	$3,000,000 (2)	$348 (3)
Common Stock, $0.01 par value per share, issuable upon conversion of 4% Convertible Senior Notes due 2022	(4)	(4)	(4)	(5)

(1) Represents the aggregate principal amount of the 4% Convertible Senior Notes due 2022 being registered hereunder.
(2) Estimated solely for the purpose of determining the registration fee in accordance with Rule 457 under the Securities Act.
(3) Previously paid.
(4) An indeterminate number of shares of common stock are registered hereunder for issuance by the registrant from time to time upon conversion of 4% Convertible Senior Notes due 2022.
(5) No additional consideration will be received for shares of common stock issuable upon conversion of the notes registered hereby. Therefore, pursuant to Rule 457(i) under the Securities Act, no registration fee is required in connection with the common stock registered hereby.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. The securities described herein may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JANUARY 6, 2017

PROSPECTUS

Rave Restaurant Group, Inc.

Minimum $1,000,000 and maximum $3,000,000 principal amount of
4% Convertible Senior Notes due 2022, par $100,
issuable upon exercise of nontransferable rights

Our board of directors has declared a dividend of subscription rights to holders of record of our common stock as of December 21, 2016. Through this prospectus, we are offering a minimum of $1,000,000 and up to a maximum of $3,000,000 of our 4% Convertible Senior Notes due 2022, par value $100 each, which rights holders may purchase upon exercising such subscription rights.

You are entitled to 0.2817% of a right for each share of common stock owned on the record date of December 21, 2016 (i.e., one right for each 355 shares). The number of rights issued has been rounded to the nearest whole number. No fractional rights have been issued. Each whole right entitles you to purchase one of our 4% Convertible Senior Notes due 2022, at the par value of $100 each.

The convertible notes will bear interest at the rate of 4% per annum on the principal or par value of $100 per note, payable annually in arrears on February 15 of each year, commencing February 15, 2018. Each interest payment will be payable in cash or, at our sole discretion, in shares of our common stock as described herein. The convertible notes mature on February 15, 2022, at which time all principal and unpaid interest will be payable in cash or, at our sole discretion, in shares of our common stock. The convertible notes are secured by a pledge of all outstanding equity securities of our two primary direct operating subsidiaries.

Noteholders may convert their notes to common stock effective on February 15, May 15, August 15 and November 15 of each year, unless we sooner elect to redeem the notes. The conversion price is $2.00 per share of common stock (i.e., 50 shares per convertible note), subject to adjustment as described herein. We will pay accrued interest through the effective date of the conversion in cash or, at our sole discretion, in shares of our common stock.

The rights are currently exercisable and will expire if they are not exercised by 5:00 p.m., Dallas, Texas time, on [_____], 2017. We may extend the period for exercising the rights for up to 30 days in our sole discretion. If you want to exercise your rights, you must submit your subscription documents before the expiration date.

The proceeds from the exercise of rights are intended to be used to repay indebtedness, fund continued restaurant development activity and provide working capital for general corporate purposes.

The convertible notes are not currently traded on any market. An application has been filed for "DTC eligibility" for over-the-counter trading of the convertible notes. Shares of our common stock are traded on the Nasdaq Capital Market under the symbol "RAVE." The aggregate market value of our common stock held by non-affiliates is approximately $16.9 million based on the closing price of such common stock on the Nasdaq Capital Market of $2.22 per share on January 5, 2017.

AN INVESTMENT IN OUR 4% CONVERTIBLE SENIOR NOTES DUE 2022 INVOLVES RISK. YOU SHOULD CAREFULLY CONSIDER THE INFORMATION UNDER THE HEADING "RISK FACTORS" ON PAGE 6 OF THIS PROSPECTUS BEFORE INVESTING IN OUR CONVERTIBLE NOTES.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

_____

The date of this prospectus is _____, 201__.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission ("SEC"). You should carefully read this prospectus, as well as the information incorporated in this prospectus by reference. See, "Information Incorporated by Reference." Any information in any prospectus supplement or any subsequent material incorporated herein by reference will supersede the information in this prospectus or any earlier prospectus supplement.

Unless the context requires otherwise, in this prospectus the term "Rave" refers solely to Rave Restaurant Group, Inc., and the capitalized term "Company," as well as first person references to "we," "our" and "us," refer to Rave and its direct and indirect subsidiaries.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, any prospectus summary and the materials incorporated herein by reference contain certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which are intended to be covered by the safe harbors created thereby. Forward-looking statements include statements which are predictive in nature, which depend upon or refer to future events or conditions, or which include words such as "expect," "anticipate," "intend," "plan," "believe," "estimate" or similar expressions. These statements include the plans and objectives of management for future operations, including plans and objectives relating to future growth of our business activities and availability of funds. Statements regarding the following subjects are forward-looking by their nature:

- our business and growth strategies;
- our performance goals;
- our projected financial condition and operating results;
- our understanding of our competition;
- industry and market trends;
- our use of the proceeds of this offering; and
- any other statements or assumptions that are not historical facts.

The forward-looking statements included in this prospectus, any prospectus summary and the materials incorporated herein by reference are based on current expectations that involve numerous risks and uncertainties. Assumptions relating to these forward-looking statements involve judgments with respect to, among other things, future economic, competitive and market conditions, regulatory framework, and business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. Although we believe that the assumptions underlying these forward-looking statements are reasonable, any of the assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this prospectus, any prospectus summary or any of the materials incorporated herein by reference will prove to be accurate. In light of the significant uncertainties inherent in these forward-looking statements, the inclusion of such information should not be regarded as a representation by us or any other person that our objectives and plans will be achieved.

COMPANY OVERVIEW

General

We operate and franchise domestic fast casual restaurants ("Pie Five Units") under the trademarks "Pie Five Pizza Company" or "Pie Five" and operate and franchise pizza buffet restaurants ("Buffet Units"), delivery/carry-out restaurants ("Delco Units") and express restaurants ("Express Units") domestically and internationally under the trademark "Pizza Inn." We provide or facilitate the procurement and distribution of food, equipment and supplies to our domestic and international system of restaurants through our Norco Restaurant Services Company ("Norco") division and through agreements with third party distributors.

We have offered consumers affordable, high quality pizza since 1958, when the first Pizza Inn restaurant opened in Dallas, Texas. We awarded our first franchise in 1963 and opened our first buffet restaurant in 1969. We began franchising the Pizza Inn brand internationally in the late 1970's. In 1993, our stock began trading on the Nasdaq Stock Market, and presently trades on the Nasdaq Capital Market under the ticker symbol "RAVE." In June 2011, we opened the first Pie Five restaurant in Ft. Worth, Texas. We signed our first franchise development agreement for Pie Five in 2012.

Our principal executive offices are located at 3551 Plano Parkway, The Colony, Texas 75056, and our telephone number is (469) 384-5000.

Our Concepts

We operate and franchise restaurant concepts under two distinct brands: Pie Five and Pizza Inn.

Pie Five

Pie Five is a fast-casual pizza concept that creates individualized pizzas which are baked in 140 seconds in our specially designed oven. Pizzas are created at the direction of our customers who choose from a variety of freshly prepared and displayed toppings, cheeses, sauces and doughs and complete their purchase process in less than five minutes. Customers can also get freshly prepared entrée and side salads, also made to order from our recipes or at the customer's direction. They can also choose from several baked daily desserts like brownies, cookie pies, and cakes. A variety of soft beverages are available, as well as beer and wine in some locations.

Pie Five restaurants typically occupy leased, in-line or end-cap space of between 1,800 and 2,400 square feet in retail strip or multi-unit retail space. The restaurants typically are located in high traffic, high visibility urban or suburban sites in mid to large size metropolitan areas. With seating for 65 to 85 customers in most units, and patio seating when available, Pie Five restaurants primarily serve lunch and dinner to families, adults and children of all ages. Sales are predominantly on-premise though carry out is offered as well. We recently began implementing online and mobile ordering capability. Future sales growth initiatives may include delivery, drive-through and catering services. Due to the relatively compact footprint of the restaurants, and other operating advantages, we also believe Pie Five is well suited for non-traditional locations such as airports and college campuses.

As of the date of this prospectus, we owned and operated 29 Pie Five restaurants and had 69 franchised Pie Five restaurants.

Pizza Inn

We operate Buffet Units, Delco Units and Express Units under the Pizza Inn brand. Buffet Units and Delco Units feature crusts that are hand-made from dough made fresh in the restaurant each day. Our pizzas are made from a proprietary all-in-one flour mixture, real mozzarella cheese and a proprietary mix of classic pizza spices. In international markets, the menu mix of toppings and side items is occasionally adapted to local tastes.

Buffet Units offer dine-in, carryout and catering service and, in many cases, also offer delivery service. Buffet Units offer a variety of pizza crusts with standard toppings and special combinations of toppings in addition to pasta, salad, sandwiches, appetizers, desserts and beverages, including beer and wine in some locations, in an informal, family-oriented atmosphere. We occasionally offer other items on a limited promotional basis. Buffet Units are generally located in free standing buildings or strip center locations in retail developments in close proximity to offices, shopping centers and residential areas. The current standard Buffet Units are between 2,100 and 4,500 square feet in size and seat 120 to 185 customers. The interior decor is designed to promote a casual, lively, contemporary, family-style atmosphere. Some Buffet Units feature game rooms that offer a range of electronic game entertainment for the entire family.

Delco Units offer delivery and carryout service only and are typically located in shopping centers or other in-line retail developments. Delco Units typically offer a variety of crusts and some combination of side items. Delco Units occupy approximately 1,200 square feet, are primarily production facilities and, in most instances, do not offer seating. The decor of the Delco Unit is designed to be bright and highly visible and feature neon lighted displays and awnings. We have attempted to locate Delco Units strategically to facilitate timely delivery service and to provide easy access for carryout service.

Express Units serve our customers through a variety of non-traditional points of sale. Express Units are typically located in a convenience store, food court, college campus, airport terminal, travel plaza, athletic facility or other commercial facility. They have limited or no seating and solely offer quick carryout service of a limited menu of pizza and other foods and beverages. An Express Unit typically occupies approximately 200 to 400 square feet and is commonly operated by the operator or food service licensee of the commercial host facility. We have developed a high-quality pre-prepared crust that is topped and cooked on-site, allowing this concept to offer a lower initial investment and reduced labor and operating costs while maintaining product quality and consistency. Like Delco Units, Express Units are primarily production-oriented facilities and, therefore, do not require all of the equipment, labor or square footage of the Buffet Unit.

As of the date of this prospectus, we owned and operated one Buffet Unit and had domestic franchises for 96 Buffet Units, 14 Delco Units and 51 Express Units, as well as international franchises for 12 Buffet Units, 41 Delco Units and eight Express Units.

Reasons for this Offering

Since 2013, we have funded the rapid expansion of our Pie Five chain primarily from operating cash flow and the proceeds of at-the-market sales of shares of our common stock under registration statements on Form S-3. To date, we have sold an aggregate of 2,083,372 shares of our common stock and have realized aggregate gross proceeds of $16.1 million from such at-the-market offerings. However, as a result of declines in our stock price, our board of directors presently believes that continued at-the-market sales of shares of our common stock is unnecessarily dilutive to our existing shareholders. Additionally, recent decreases in average weekly sales and comparable store sales for Pie Five restaurants have diminished the operating cash flow available to continue development of the Pie Five concept and provide necessary working capital.

As an interim measure, our largest shareholder, Newcastle Partners L.P., has provided the Company a $1.0 million short term loan. However, our board of directors believes that this rights offering provides the best means for satisfying our current cash needs by providing our existing shareholders the opportunity to participate in funding these needs while maintaining their percentage ownership in the Company. Newcastle Partners L.P. has committed to exercise at least its basic subscription rights and thereby purchase at least $487,000 of the convertible notes.

RIGHTS OFFERING SUMMARY

Issuer:	Rave Restaurant Group, Inc. ("Rave").
Rights Dividend:	Shareholders are entitled to 0.2817% of a subscription right for each share of our common stock held of record as date of December 21, 2016 (i.e., one subscription right for each 355 shares). The number of subscription rights has been rounded to the nearest whole number. No fractional rights have been issued.
Subscription Privilege:	Each whole subscription right entitles the holder to purchase one 4% Convertible Senior Note due 2022 during the subscription period.
Securities Offered:	Minimum $1,000,000 and maximum $3,000,000 of 4% Convertible Senior Notes due 2022, par value $100 each.
Subscription Price:	$100 per subscription right (i.e., par value for each convertible note).
Expiration of Subscription Period:	5:00 p.m., Dallas, Texas time, on [_____], 2017, unless extended by us for up to 30 days in our sole discretion.
Oversubscription Privilege:	If less than all of the subscription rights are exercised, then those shareholders who have fully exercised their basic subscription right will be entitled to purchase an allocable portion of the convertible notes unpurchased by other rights holders at the same purchase price of $100 per convertible note.
Escrow Account:	Until at least the minimum amount of convertible notes is subscribed, subscription payments will be held in an escrow account with Securities Transfer Corporation. If at least the minimum amount is not subscribed, all subscription payments will be returned and no convertible notes will be issued.
Subscription Rights not Transferable:	With limited exceptions, the subscription rights may not be sold, transferred or assigned by any shareholder.
No Revocation:	Shareholders who exercise any of their subscription rights will not be permitted to revoke or change the exercise or request a refund of monies paid.
Use of Proceeds:	Repayment of indebtedness, continued restaurant development activities and working capital for general corporate purposes.
Indenture and Trustee:	The convertible notes will be issued under an indenture between us and Securities Transfer Corporation, as trustee, governing the terms and conditions of the convertible notes. Pursuant to an available exemption, the indenture will not be registered under or governed by the Trust Indenture Act of 1939, as amended.
Terms of Convertible Notes:	The convertible notes will bear interest at the rate of 4% per annum on the principal or par value of $100 per note, payable annually in arrears on February 15, commencing February 15, 2018. Each interest payment prior to maturity will be payable in cash or, at our sole discretion, in shares of our common stock. The convertible notes mature on February 15, 2022, at which time all principal and unpaid interest will be payable in cash or, at our sole discretion, in shares of our common stock. The convertible notes are secured by Rave's pledge of all outstanding equity securities of its two primary direct operating subsidiaries.

Conversion Rights:	Noteholders may convert their notes to common stock effective on February 15, May 15, August 15 and November 15 of each year, unless we sooner elect to redeem the notes. The conversion price is $2.00 per share of common stock (i.e., 50 shares per convertible note), subject to certain adjustments. Accrued interest will be paid through the effective date of the conversion in cash or, at our sole discretion, in shares of our common stock
Redemption:	We may redeem the outstanding convertible notes at any time on or after February 15, 2018, and prior to maturity, at 110% of par plus any accrued unpaid interest. Holders will have a period of 30 days following our delivery of a notice of redemption to convert their notes, after which such conversion rights will terminate. There will be no sinking fund for redemption of the convertible notes.
Ranking:	The convertible notes will be senior secured obligations of Rave and will: (1) rank senior in right of payment to any indebtedness that is expressly subordinated in right of payment to the convertible notes; (2) be effectively senior in right of payment to other indebtedness of Rave to the extent of the value of the pledged equity securities of its two primary direct operating subsidiaries; (3) to the extent of any deficiency in the value of the pledged equity securities, rank equal in right of payment with any of Rave's unsecured indebtedness that is not expressly subordinated; (4) be effectively junior in right of payment to any indebtedness secured by other assets to the extent of the value of such other assets; and (5) be structurally junior to the indebtedness and other liabilities of Rave's direct and indirect subsidiaries.
Book-Entry Form:	The convertible notes will be issued in book-entry form and will be represented by permanent global certificates deposited with The Depository Trust Company, or DTC, and registered in the name of a nominee of DTC. Beneficial interests in the convertible notes will be shown on, and transfers will be effected only through, records maintained by DTC or its nominee and any such interest may not be exchanged for certificated securities, except in limited circumstances.
No Trading Market for Convertible Notes:	The convertible notes will be transferable following their issuance. However, the convertible notes are not expected to be listed for trading on any exchange. An application has been filed for "DTC eligibility" for over-the-counter trading for the convertible notes. There is currently no established market for the convertible notes and we cannot assure the development or liquidity of any market for the convertible notes.
Trading Market for Common Stock:	Our common stock is traded on the Nasdaq Capital Market under the symbol "RAVE."
Risk Factors:	See "Risk Factors" beginning at page 6.

RISK FACTORS

Investing in our 4% Convertible Senior Notes due 2022 or our common stock involves a number of risks. Before you decide to exercise subscription rights to purchase our convertible notes, you should carefully consider the risk factors set forth below and in the materials incorporated by reference herein.

Risks Associated with Our Business

The inability to successfully implement any aspect of our growth strategy could adversely affect our revenues and operating profits.

Our growth strategy includes developing new Company-owned and franchised Pie Five restaurants, as well as franchised Pizza Inn restaurants reflecting our updated Buffet Unit concept. Our growth strategy also relies on increasing Pie Five chainwide average per store sales, which have recently declined. We may be unable to achieve all or any of these objectives, which could adversely affect our revenues and operating profits.

We may be unable to maintain or accelerate the pace of development of new restaurants in accordance with our growth strategy.

Our ability to open new Company-owned Pie Five Units is largely dependent on our ability to identify and secure suitable locations, to manage and fund the development of such locations and to train and staff the restaurants. The rate at which we will be able to expand both concepts through franchise development is determined in part by our success in attracting and selecting qualified franchisees, by our ability to identify satisfactory sites in appropriate markets and by our ability to continue training and monitoring our franchisees. Accordingly, we may not be able to open restaurants in markets now targeted for expansion or otherwise meet our growth targets, thereby adversely impacting our revenues and operating profits.

The development of new Company-owned Pie Five Units is partially dependent on the availability of adequate capital.

Our ability to develop new Company-owned Pie Five Units depends, in part, on the availability of adequate capital to finance development and pre-opening costs and other growth-related expenses. We expect to fund planned capital expenditures primarily from operating cash flow supplemented by the proceeds of this offering. We do not presently have any bank credit facilities in place. As a result, lower than anticipated revenues, increased expenses, changes in our operating plans, or other events could result in the need for additional capital for us to timely develop the desired number of new Company-owned Pie Five Units. If such additional capital is not available on acceptable terms, or at all, our growth strategy could be compromised which, in turn, could adversely affect our revenues and operating profits.

We may be unable to consistently develop high performing new Company-owned and franchised Pie Five Units.

Our growth strategy relies, in part, on increasing Pie Five chainwide average per store sales primarily by developing new Company-owned and franchised Pie Five Units with higher average per store sales. Increasing average per store sales is largely a function of customer traffic, customer experience and the average check per customer. These factors may be influenced by, among other things, general economic conditions, the quality of restaurant sites, competitive pressures, consumer preferences, consumer perceptions of our reputation and product offerings, and customer experiences in our restaurants. If newly developed Pie Five Units do not perform as we expect, our revenues will be adversely affected and we may experience difficulty attracting new franchisees, thereby impeding our growth strategy and adversely affecting our business and operating profits.

The closure of existing restaurants or abandonment of development sites could offset the development of new restaurants.

A significant number of franchised Pizza Inn restaurants have been closed in the past decade. In addition, several Company-owned and franchised Pie Five Units have been closed during the last 12 months and several locations leased by us for future development of Company-owned Pie Five Units have been abandoned. If these trends continue, the successful development of new restaurants could be partially or wholly offset by the closure of existing restaurants or abandonment of development sites. Therefore, although closed restaurants are typically underperforming units and abandoned sites are considered no longer attractive, the continued closure of restaurants or abandonment of development sites could undermine our growth initiatives and adversely impact our revenues and operating profits.

Unfavorable resolution of lease disputes with respect to abandoned development sites could adversely affect our cash flow and results of operations.

We have determined to close several Company-owned Pie Five Units and abandon several locations leased by us for future development of Company-owned Pie Five Units. The leases for these closed stores and abandoned development sites have ten year terms. We previously reached agreements with the landlords to terminate the leases at most of these locations. However, we are continuing to negotiate with the landlords to terminate the leases with respect to several remaining sites. If we are unable to negotiate reasonable terms for termination of these remaining leases, our cash flow and results of operations could be adversely affected.

We may be harmed by actions taken by our franchisees that are outside of our control.

A significant portion of our earnings comes from royalties paid by our franchisees, as well as food and supply sales to franchised restaurants. Franchisees are independent operators whose personnel are not our employees. We provide training and support to franchisees, but the quality of franchised restaurant operations may be diminished by any number of factors beyond our control. Consequently, franchisees may not successfully operate restaurants in a manner consistent with our standards and requirements, or may not hire and train qualified managers and other store personnel. If they do not, our image and reputation may suffer, and revenues could decline. Our franchisees may take actions that adversely affect the value of our intellectual property or reputation. The failure of our domestic and international franchisees to operate their franchises successfully could reduce the amount of royalties payable to us and/or the amount of food and supply sales by us. Further, since domestic franchisees are only required to purchase certain proprietary items from Norco, changes in their purchasing practices could diminish our sales of food and supplies. Additionally, if one or more of our key franchisees were to become insolvent or otherwise were unable or unwilling to pay amounts due to us, our business and results of operations would be adversely affected.

Some of our Pie Five franchisees may be unable to satisfy their obligations under franchise development agreements.

Pie Five franchisees typically enter into multi-year development agreements for the opening of Pie Five Units. Each development agreement is scaled relative to the estimated development potential of the specified geographic area and requires the franchisee to achieve specified unit development milestones over a period of time, typically five years, to maintain their development rights in the area. If these unit development milestones are achieved, the franchisee typically has the option to develop up to a specified number of additional Pie Five Units in the territory. However, certain of our Pie Five franchisees have experienced difficulty in achieving their unit development milestones, and we may be required to waive or amend some of these unit development milestones or terminate the development agreements. As a result, we may not achieve the number of franchised Pie Five Units for which we have signed development agreements within the anticipated time frame. Any delay or inability to open additional franchised Pie Five Units could adversely impact our results of operations and financial position.

Loss of key personnel or our inability to attract and retain new qualified personnel could hurt our business and inhibit our ability to operate and grow successfully.

Our success will depend to a significant extent on our leadership team and other key management personnel. We may not be able to retain our executive officers and key personnel or attract additional qualified management. Our success also will depend on our ability to attract and retain qualified personnel to oversee our restaurants, distribution operations and international operations. The loss of these employees or any inability to recruit and retain qualified personnel could have a material adverse effect on our operating results.

We face risks of litigation from customers, franchisees, employees and others in the ordinary course of business, which diverts our financial and management resources. Any adverse litigation or publicity may negatively impact our financial condition and results of operations.

Claims of illness or injury relating to food quality or food handling are common in the food service industry. In addition to decreasing our sales and profitability and diverting our management resources, adverse publicity or a substantial judgment against us could negatively impact our financial condition, results of operations and brand reputation, hindering our ability to attract and retain franchisees and grow our business. Further, we may be subject to employee, franchisee and other claims in the future based on, among other things, discrimination, harassment, wrongful termination and wage, rest break and meal break issues, including those relating to overtime compensation. Franchisees may also assert claims alleging breach of a franchise or development agreement, unfair trade practices or failure to satisfy franchise disclosure obligations, especially in circumstances where we have terminated a franchise or development agreement. If one or more of these claims were to be successful or if there is a significant increase in the number of these claims, our business, financial condition and operating results could be harmed.

Shortages or interruptions in the delivery of food products could adversely affect our operating results.

We and our franchisees are dependent on frequent deliveries of food products that meet our specifications. Our Norco distribution division provides product sourcing, purchasing, quality assurance, research and development, franchisee order and billing services, and logistics support functions. We outsource warehousing and delivery services to third party restaurant distribution companies that deliver products to all domestic restaurants. Interruptions in the delivery of food products caused by unanticipated demand, problems in production or distribution by Norco, our suppliers, or our distribution service providers, inclement weather (including tornadoes, hurricanes and other natural disasters) or other conditions could adversely affect the availability, quality and cost of ingredients, which could adversely affect our operating results. Further, although our Company-owned domestic restaurants purchase substantially all food and related products from Norco, domestic franchisees are only required to purchase certain proprietary items from Norco. Therefore, changes in purchasing practices by domestic franchisees as a result of delivery disruptions or otherwise could adversely affect our financial results.

An increase in the cost of commodities such as cheese, or other operating expenses, including utilities and labor, could adversely affect our profitability and operating results.

An increase in our operating costs could adversely affect our profitability. Factors such as inflation, increased food costs, increased labor and employee benefit costs and increased energy costs may adversely affect our operating costs. Most of the factors affecting costs are beyond our control and we may not be able to pass along these increased costs to our customers or franchisees. Most ingredients used in our pizza, particularly cheese, are subject to significant price fluctuations as a result of seasonality, weather, availability, demand and other factors. Sustained increases in utility costs could also adversely affect the profitability of our restaurants. Further, government initiatives, such as health care reform and minimum wage rate increases, could increase our operating costs and adversely affect our operating results.

If we are not able to continue purchasing our key pizza ingredients from our current suppliers or find suitable replacement suppliers, our financial results could be adversely affected.

We are dependent on a few suppliers for some of our key pizza ingredients. Domestically, we rely upon sole suppliers for our cheese, meat toppings, sauce and certain other proprietary products. Alternative sources for these key ingredients may not be available on a timely basis or be available on terms as favorable to us as under our current arrangements. Any disruptions in our supply of key ingredients could adversely affect our operations.

We are subject to extensive government regulation, and any failure to comply with existing or adopted regulations could adversely affect our business and operating results.

We are subject to numerous federal, state, local and foreign laws, rules and regulations, including those relating to:

- the preparation and sale of food;
- building and zoning requirements;
- minimum wage, citizenship, overtime, health insurance, and other labor requirements; and
- working and safety conditions.

If we fail to comply with existing or future laws, rules and regulations, we may be subject to governmental or judicial fines or sanctions. In addition, our capital expenditures could increase due to remediation measures that may be required if we are found to be noncompliant with any of these laws or regulations.

We are also subject to a Federal Trade Commission rule and to various state and foreign laws that govern the offer and sale of franchises. These laws regulate various aspects of the franchise relationship, including terminations and the refusal to renew franchises. The failure to comply with these laws and regulations in any jurisdiction or to obtain required government approvals could result in a ban or temporary suspension on future franchise sales, fines or other penalties, or require us to make offers of rescission or restitution, any of which could adversely affect our business and operating results.

We may be required to defend our intellectual property rights, which could negatively affect our results of operations.

We depend on our Pizza Inn and Pie Five brand names and rely on a combination of trademarks, copyrights, service marks and similar intellectual property rights to promote these brands. We believe the success of our business depends on our continued ability to use our existing trademarks and service marks to increase brand awareness and further develop our brands, both domestically and abroad. We may not be able to adequately protect our intellectual property rights or we may be required to resort to litigation to enforce such rights. Litigation or settlements could result in high costs and diversion of resources, which could negatively affect our results of operations, regardless of the outcome.

Information technology disruptions or security breaches could adversely impact our operations and business.

We rely on our computer systems and network infrastructure for numerous aspects of our operations. Our operations depend upon our ability to protect our computer equipment and systems against damage from physical theft, fire, power loss, telecommunications failure or other catastrophic events, as well as from internal and external security breaches, viruses, worms and other disruptive problems. In addition, any actual or alleged security breach of the credit or debit card information of customers of our Company-owned restaurants could result in lawsuits, require notification of customers and/or result in adverse publicity. Therefore, any damage, failure or breach of our computer systems or network infrastructure could have a material adverse effect on our business.

Our current insurance coverage may not be adequate, our insurance premiums may increase and we may not be able to obtain insurance at acceptable rates, or at all.

Our insurance policies may not be adequate to protect us from liabilities that we incur in our business. In addition, in the future our insurance premiums may increase and we may not be able to obtain similar levels of insurance on reasonable terms, or at all. Any such inadequacy of, or inability to obtain, insurance coverage could have a material adverse effect on our business, financial condition and results of operations.

Risks Associated With Our Common Stock

Although our common stock is currently traded on the Nasdaq Capital Market, it has less liquidity than the stock of many other companies.

The trading volume in our common stock on the Nasdaq Capital Market has been relatively low when compared with larger companies listed on the Nasdaq Global Market or the other stock exchanges. Shareholders, therefore, may experience difficulty selling a substantial number of shares for the same price at which shareholders could sell a smaller number of shares. We cannot predict the effect, if any, that future sales of our common stock in the market, or the availability of shares of common stock for sale in the market, will have on the market price of our common stock. Sales of substantial amounts of common stock in the market, or the potential for large amounts of sales in the market, may cause the price of our common stock to decline or impair our future ability to raise capital through sales of our common stock.

The market price of our common stock may fluctuate in the future, and these fluctuations may be unrelated to our performance.

General market price declines or overall market volatility in the future could adversely affect the price of our common stock, and the current market price may not be indicative of future market prices.

We do not expect to pay any dividends for the foreseeable future and, therefore, our shareholders may be required to liquidate their shares in order to realize a return on their investment.

We have never paid a dividend on our common stock and do not anticipate paying any dividends in the foreseeable future. Any determination to pay dividends in the future will be at the discretion of our board of directors and dependent on our results of operations, financial condition, capital requirements and other relevant factors. Therefore, the holders of our common stock will likely be required to sell all or a portion of their shares in order to realize any return on their investment.

Certain provisions of state law could discourage certain transactions that our shareholders may otherwise deem to be in their best interest.

We are incorporated under the laws of the State of Missouri. Although there are no provisions in our Articles of Incorporation or Bylaws intended to prevent or restrict takeovers, mergers or acquisitions, certain provisions of Missouri corporate law could have the effect of discouraging others from attempting hostile takeovers of our Company. It is possible that these provisions could make it more difficult to accomplish transactions which our shareholders may otherwise deem to be in their best interests. See, "Description of Common Stock -- Anti-Takeover Effects of Certain Statutory Provisions."

Our primary shareholder group may be able to exert significant influence over shareholder decisions.

Newcastle Partners L.P. and its affiliates, including our Chairman, Mark E. Schwarz, and our Interim President, Clinton J. Coleman, collectively own or control approximately 29% of our outstanding common stock. Therefore, this group may be able to exert significant influence over any matters submitted to a vote of shareholders, including the election of directors. As a result, other shareholders may be discouraged from proposing, or unable to pass, any initiatives requiring shareholder approval, including the election of an alternative slate of directors.

Risks Associated with the Rights Offering and Convertible Notes

Shareholders may have their interest in the Company diluted as a result of this rights offering.

Shareholders may have their proportionate voting and ownership interest in the Company reduced as the result of the conversion of convertible notes to common stock by other holders. Shareholders who do not fully exercise their subscription rights will not have the opportunity to offset this dilution by the conversion of their own convertible notes to common stock.

This rights offering may adversely impact the trading price of our common stock.

We cannot predict the effect of the rights offering on the market price of our common stock.

Future issuance of shares of our common stock in payment of interest and principal on our convertible notes, as well as upon the conversion of our convertible notes, may adversely affect the market price for our common stock.

We are authorized to issue up to 26,000,000 shares of common stock, of which 10,656,551 shares were issued and outstanding as of the date of this prospectus. We are authorized to pay the accrued interest and principal on the convertible notes in shares of our common stock. The issuance of additional shares of our common stock in connection with such payments, as well as upon the conversion of the convertible notes, could adversely affect the market price for our common stock.

There may not be any active trading market for the convertible notes.

Although an application has been filed for "DTC eligibility" for over-the-counter trading of our convertible notes, the convertible notes are not currently traded on any market or exchange. In addition, the liquidity of the trading market in the convertible notes, and the market price quoted for the convertible notes, may be adversely affected by changes in the overall market for this type of security and by changes in our financial performance or prospects. As a result, an active trading market may not develop for the convertible notes. If an active trading market does not develop or is not maintained, the market price and liquidity of the convertible notes may be adversely affected. In that case you may not be able to sell your convertible notes at a particular time or at a favorable price.

We have broad discretion over the use of proceeds from this rights offering, including the repayment of indebtedness held by affiliates.

Our management will have broad discretion over the use of the net proceeds from this offering. A portion of such net proceeds is expected to be used to repay approximately $1.0 million in debt owed to Newcastle Partners, L.P., the largest shareholder of the Company and an affiliate of our Chairman, Mark E. Schwarz, and our Interim Chief Executive Officer, Clinton J. Coleman. The remaining net proceeds are intended to be used for continued restaurant development activities, working capital and general corporate purposes that have not yet been specified. Therefore, you may not agree with the manner in which we allocate and spend these net proceeds.

The net proceeds of this rights offering may not be adequate to sustain our current operations or implement our growth plans.

In recent periods, we have experienced negative cash flow largely as the result of losses from operations and significant capital expenditures, in both cases primarily attributable to our efforts to develop new Company-owned Pie Five Units and expand the Pie Five franchise network. There can be no assurance that the net proceeds of this offering will be adequate to sustain our current level of operations or implement our future growth plans. If the net proceeds are insufficient for these purposes, we may be required to raise additional capital, scale back our current operations and/or defer some of our growth initiatives, any of which could have an adverse impact on our financial position, results of operations and share price.

The convertible notes are the obligation of Rave and are not guaranteed by its subsidiaries.

Rave is a holding company and a legal entity separate and distinct from its subsidiaries. As a holding company without significant operations of its own, Rave's principal sources of funds are dividends, debt repayment and other distributions from its subsidiaries. Rave's right to participate in any distribution of assets of one of its subsidiaries is subject to prior claims of creditors except to the extent that its rights, if any, as a creditor are recognized. Consequently, Rave's ability to pay interest and principal on the convertible notes may be limited.

The collateral for the convertible notes may be inadequate.

The convertible notes are secured by Rave's pledge of all outstanding equity securities of its two primary direct operating subsidiaries, Pie Five Pizza Company, Inc. and Pizza Inn, Inc. However, the trustee's ability to realize value upon foreclosure of such collateral may be limited by numerous factors including, among other things, the results of operations and financial condition of such subsidiaries at such time, the existence of secured or unsecured debts and other obligations of the subsidiaries, the lack of any established market for the pledged securities, the limitation on public sales of the pledged securities arising as a result of federal and state securities laws and the expenses associated with any foreclosure proceedings. As a result, there can be no assurance that the collateral for the convertible notes will be adequate to assure repayment of all principal and interest on the convertible notes.

We may not have the ability to raise the funds necessary to repurchase the convertible notes upon a "fundamental change."

Holders of the convertible notes will have the right to require us to repurchase their convertible notes upon the occurrence of a "fundamental change" at a repurchase price equal to 100% of the principal amount of the convertible notes to be repurchased, plus accrued and unpaid interest, if any. (See, "Description of Convertible Notes—Fundamental Change Permits Holders to Require Us to Repurchase Convertible Notes.") However, no assurance can be provided that we will have enough available cash or be able to obtain financing at the time we are required to repurchase any convertible notes.

The convertible notes are not protected by financial or operating covenants.

The indenture governing the convertible notes does not contain any financial or operating covenants or restrictions on the payments of dividends, the incurrence of indebtedness or the issuance or repurchase of securities by us or any of our subsidiaries. The indenture contains no covenants or other provisions protecting holders of the convertible notes in the event of any corporate transaction not constituting a fundamental change. Although the pledge agreement securing the convertible notes contains covenants with respect to maintenance of the security interest in the collateral, it does not contain any financial or operating covenants or restrictions on the payments of dividends, the incurrence of indebtedness or the issuance or repurchase of Rave securities.

The conversion rate of the convertible notes may not be adjusted for all dilutive events.

The conversion rate of the convertible notes is subject to adjustment for certain events, including certain stock dividends, subdivisions and combinations. However, the conversion rate will not be adjusted for other events, such as the issuance of common stock for cash, that may adversely affect the trading price of the convertible notes or our common stock.\

The subscription price for convertible notes is not an indication of the value of the Company or our common stock.

The subscription price per convertible note and the conversion price for common stock were determined by our board of directors and do not necessarily bear any relationship to the market value of our assets or to our operations, cash flows, book value, current financial condition, or any other established criteria for value. You should not consider the subscription price as an indication of the value of the Company or our common stock.

You will not be able to revoke the exercise of your subscription rights.

Once you exercise your subscription rights, you may not revoke the exercise. Therefore, even if the offering is extended, there is a decline in the market price of our common stock, or other circumstances arise that cause you to change your mind about investing in the convertible notes, you will nonetheless be legally bound to proceed with your investment.

Because we may terminate this rights offering, your participation in the offering is not assured.

If we decide to terminate the rights offering for any reason, including the failure of shareholder to fully subscribe the convertible notes, we will have no obligation with respect to the subscription rights except to return any subscription payments, without interest.

You will not receive interest on subscription funds returned to you.

If we terminate this rights offering for any reason, neither we nor the subscription agent will have any obligation with respect to the subscription rights except to return to you any subscription payments, without interest.

The subscription rights are not transferable and there is no market for the subscription rights.

You may not sell, give away or otherwise transfer your subscription rights. The subscription rights are only transferable to your affiliates and by operation of law. Because the subscription rights are non- transferable, there is no market or other means for you to directly realize any value associated with the subscription rights. You must exercise the subscription rights and acquire convertible notes to realize any value.

You need to act promptly and follow subscription instructions to avoid your subscription being rejected.

Shareholders who desire to purchase convertible notes in this rights offering must act promptly to ensure that all required forms and payments are actually received by the subscription agent prior to 5:00 p.m., Dallas, Texas time, on the expiration date. If you fail to complete and sign the required subscription forms, send an incorrect payment amount, or otherwise fail to follow the subscription procedures that apply to your desired transaction, the subscription agent may, depending on the circumstances, reject your subscription or accept it only to the extent of the payment received. Neither we nor our subscription agent undertakes to contact you concerning such errors or to correct an incomplete or incorrect subscription form or payment. We have the sole discretion to determine whether a subscription exercise properly follows the subscription procedures.

Risks Associated With Our Industry

If we are not able to compete effectively, our business, sales and earnings could be adversely affected.

The restaurant industry in general, as well as the pizza segment of the industry, is intensely competitive, both internationally and domestically, with respect to price, service, location and food quality. We compete against many national, regional and local businesses. There are many well-established competitors with substantially greater brand awareness and financial and other resources than we have. Some of these competitors may be better established in markets where we or our franchisees operate restaurants. A change in the pricing or other marketing or promotional strategies, including new product and concept developments, of one or more of our major competitors could have an adverse impact on sales and earnings and our chainwide restaurant operations. We could also experience increased competition from existing or new companies in the pizza segment of the restaurant industry. If we are unable to compete effectively, we could experience downward pressure on prices, lower demand for our products, reduced margins, the inability to take advantage of new business opportunities and the loss of market share, all of which would have a material adverse effect on our operating results.

We also compete on a broader scale with quick service, fast casual and other international, national, regional and local restaurants. The overall food service market and the quick service restaurant sector are intensely competitive with respect to food quality, price, service, convenience and concept. We also compete within the food service market and the restaurant industry for management and hourly employees, suitable real estate sites and qualified franchisees.

Norco is also subject to competition from outside suppliers. If other suppliers who meet our qualification standards for non-proprietary items offer lower prices or better service to our franchisees for their ingredients and supplies and, as a result, our franchisees choose not to purchase these non-proprietary items from Norco, our financial condition, business and results of operations would be adversely affected.

Changes in consumer preferences and perceptions could decrease the demand for our products, which would reduce sales and harm our business.

Restaurant businesses are affected by changes in consumer tastes, national, regional and local economic conditions, demographic trends, disposable purchasing power, traffic patterns and the type, number and location of competing restaurants. For example, if prevailing health or dietary preferences cause consumers to avoid pizza and other products we offer, or quick service restaurant offerings generally, in favor of foods that are perceived as more healthy, our business and operating results could be harmed.

Poor economic conditions could adversely affect our business, results of operations and financial condition.

The restaurant industry depends on consumer discretionary spending. Weak, volatile or uncertain national, regional or local economic conditions can negatively impact consumers' ability and willingness to spend discretionary funds thereby decreasing customer traffic and/or average check per customer at our restaurants. If these poor economic conditions persist, consumers could permanently alter their dining habits and reduce the frequency with which they dine out. Therefore, such poor economic conditions could have a short-term or long-term adverse impact on our business, results of operations and financial condition.

USE OF PROCEEDS

We will retain broad discretion over the use of the net proceeds from our sale of convertible notes under this prospectus. A portion of such net proceeds are expected to be used to repay approximately $1.0 million in debt owed to Newcastle Partners, L.P. pursuant to a promissory note dated December 22, 2016, which bears interest at 10% per annum and matures on April 30, 2017. Newcastle Partners, L.P. is the largest shareholder of the Company and an affiliate of our Chairman, Mark E. Schwarz, and our Interim Chief Executive Officer, Clinton J. Coleman. We currently anticipate that the remaining net proceeds will be used to fund continued restaurant development activity and provide working capital for general corporate purposes.

THE RIGHTS OFFERING

Terms of the Offering

Our board of directors has declared a dividend of subscription rights to holders of record of our common stock as of the record date of December 21, 2016. You are entitled to 0.2817% of a right for each share of common stock owned on the record date (i.e., one right for each 355 shares). The number of rights you receive has been rounded to the nearest whole number. No fractional rights have been issued. Each whole right entitles you to purchase one of our 4% Convertible Senior Notes due 2022, at the par value of $100 each.

The subscription rights will expire if they are not exercised by 5:00 p.m., Dallas, Texas time, on [_____], 2017, which we refer to as the expiration date. We may extend the expiration date for up to 30 days in our sole discretion.

To exercise subscription rights, holders must return by the expiration date a properly completed subscription rights certificate and any other required documents, along with full payment of the subscription price for all rights for which subscriptions are exercised. Any subscription rights not exercised by the expiration date will expire without any payment to the holders of those unexercised subscription rights and become worthless.

This rights offering is subject to receipt of subscriptions for a minimum of $1,000,000 in convertible notes. Until at least the minimum amount of convertible notes is subscribed, subscription payments will be held in an escrow account with our transfer agent, Securities Transfer Corporation. If at least the minimum amount is not subscribed by the expiration date, all subscription payments will be returned, without interest or deduction, and no convertible notes will be issued. If at least the minimum amount is subscribed, the convertible notes will be issued promptly following the expiration date. We may cancel this rights offering at any time prior to the expiration date for any reason. In the event that we cancel the rights offering, all subscription payments will be promptly returned without interest or deduction.

The convertible notes are new securities not currently traded on any market. An application has been filed for "DTC eligibility" for over-the-counter trading for the convertible notes. However, no assurance can be provided that a trading market will develop for the convertible notes. Our common stock is quoted on the NASDAQ Capital Market under the symbol "RAVE."

Subscription Rights

Basic Subscription Rights

We are distributing to holders of record of shares of our common stock on December 21, 2016, at no cost, non-transferable subscription rights to purchase our 4% Convertible Senior Notes due 2022, at the par value of $100 each. We are distributing 0.2817% of a right for each share of common stock owned on the record date (i.e., one right for each 355 shares). The number of rights you receive has been rounded to the nearest whole number. No fractional rights have been issued. The subscription rights will be evidenced by rights certificates. Each whole right entitles you to purchase one of our 4% Convertible Senior Notes due 2022, at the par value of $100 each. You are not required to exercise any of your subscription rights.

Over-Subscription Rights

Subject to the allocation described below, each subscription right also grants the holder an over-subscription right to purchase additional convertible notes that were not subscribed by other rights holders pursuant to their basic subscription rights. You are entitled to exercise such over-subscription right only if you exercise your basic subscription right in full.

If you wish to exercise your over-subscription right, you should indicate the additional amount of convertible notes that you would like to purchase in the space provided on your rights certificate. When you return your rights certificate, you must also send the full purchase price for the additional convertible notes that you have requested to purchase (in addition to the payment due for convertible notes purchased through your basic subscription right). If the amount of convertible notes remaining after the exercise of all basic subscription rights is not sufficient to satisfy all requests for convertible notes pursuant to over-subscription rights, then the available convertible notes will be allocated proportionally (subject to eliminating fractional notes) among those who properly exercised over-subscription rights based on the amount of convertible notes each rights holder subscribed for under the basic subscription right. However, if your pro-rata allocation exceeds the over-subscription amount specified in your rights certificate, then you will receive only the amount of convertible notes that you requested, and the remaining convertible notes from your proportionate allocation will be divided among other rights holders exercising their over-subscription rights.

As soon as practicable after the expiration date, Securities Transfer Corporation, acting as our subscription agent, will determine the amount of convertible notes that you may purchase pursuant to the over-subscription right. If you request and pay for more convertible notes than are allocated to you, we will refund the overpayment, without interest. In connection with the exercise of the over-subscription right, banks, brokers and other nominee holders of subscription rights who act on behalf of beneficial owners will be required to certify to us as to the aggregate number of subscription rights exercised, and the amount of convertible notes requested through the over-subscription right, by each beneficial owner on whose behalf the nominee holder is acting. If you hold your shares through a brokerage account, you should note that most brokerages permit the beneficial owner to exercise their rights on one occasion only. Accordingly, if you plan to exercise your over-subscription right, you should do so at the time that you submit your subscription to your broker.

Expiration, Extension and Cancellation

The rights offering will expire at 5:00 p.m., Dallas, Texas time, on [_____], 2017, unless we decide to extend the rights offering. Any subscription rights not exercised on or before the expiration date will have no value and expire without any payment to the holders of the unexercised subscription rights. We will not be obligated to honor your exercise of subscription rights if the subscription agent receives the documents relating to your exercise after the rights offering expires, regardless of when you transmitted the documents.

We have the sole discretion to extend the expiration date from time to time for up to 30 days by giving oral or written notice to the subscription agent on or before the scheduled expiration date. If we elect to extend the expiration date, we will publicly announce the extension no later than 9:00 a.m., Dallas, Texas time on the next business day after the most recently announced expiration date.

We may cancel or terminate the rights offering at any time prior to the expiration date. Any cancellation or termination of this offering will be followed as promptly as practicable by public announcement of the cancellation or termination and any money received from subscribing rights holders will be promptly returned, without interest or deduction.

Non-Transferability of Subscription Rights

Except in the limited circumstances described below, only you may exercise your subscription rights. You may not sell, give away or otherwise transfer your subscription rights.

Notwithstanding the foregoing, you may transfer your subscription rights to an existing 401(k), IRA or other similar investment plan (subject to all of the rules, regulations and restrictions of such plan) established for your benefit, or that plan may transfer such rights to you, provided that, in each case, such transfer is otherwise in compliance with all applicable federal and state securities laws. Your subscription rights also may be transferred to any of your affiliates or by operation of law. For example, a transfer of rights to the estate of the holder upon the death of the holder would be permitted. As used in this paragraph, an affiliate means any person (including a 401(k), IRA or other similar investment plan subject to all the applicable rules, regulations and restrictions of such plan, or a partnership, corporation or other legal entity such as a trust or estate) which controls, is controlled by or is under common control with you. If your rights are transferred as permitted, evidence satisfactory to the subscription agent that the transfer was proper must be received prior to the expiration date of this offering.

Exercise of Subscription Rights

You may exercise your subscription rights by delivering to the subscription agent on or prior to the expiration date:

- Your properly completed and duly executed rights certificate;
- Any required signature guarantees or other supplemental documentation; and
- Payment in full of $100.00 per convertible note to be purchased pursuant to the basic subscription rights and the over-subscription right.

You should carefully read and follow the instructions accompanying the rights certificate. You should deliver your rights certificate and payment to the subscription agent as provided below under "Delivery of Subscription Materials and Payment."

We reserve the right to reject any exercise of subscription rights if the exercise does not fully comply with the terms of the rights offering, is not in proper form or would be unlawful. We will not pay you interest on funds delivered for the exercise of subscription rights.

Signature Guarantee

Signatures on the rights certificate do not need to be guaranteed if either (a) the rights certificate provides that the convertible notes being subscribed are to be delivered directly to the record owner of the subscription rights, or (b) the rights certificate is submitted for the account of a member firm of a registered national securities exchange or a member of the National Association of Securities Dealers, Inc., or a commercial bank or trust company having an office or correspondent in the United States. Signatures on all other rights certificates must be guaranteed by an Eligible Guarantor Institution, as defined in Rule 17Ad-15 of the Securities Exchange Act of 1934, as amended, which include banks, brokers, dealers, credit unions, national securities exchanges and savings associations.

Delivery of Subscription Materials and Payment

You should deliver your rights certificate and payment of the subscription price or, if applicable, notice of guaranteed delivery, to the subscription agent by mail, by hand or by overnight courier to:

Securities Transfer Corporation
2901 North Dallas Parkway, Suite 380
Plano, Texas 75093

The subscription agent's telephone number is (469) 633-0101.

You are responsible for the method of delivery of your rights certificate and subscription payment to the subscription agent. If you send your rights certificate and subscription payment by mail, we recommend that you send them by registered mail, properly insured, with return receipt requested. You should allow a sufficient number of days to ensure delivery to the subscription agent prior to the expiration date of this offering.

Do not send your rights certificate or subscription price payment to us. Your delivery to an address other than the address set forth above will not constitute valid delivery.

Method of Payment

Your payment of the subscription price must be made in U.S. dollars for the full amount of convertible notes that you are subscribing (including any exercise of your over-subscription right) by:

- Personal check drawn upon a U.S. bank payable to the subscription agent;
- Certified check or bank draft (cashier's check) drawn upon a U.S. bank or money order payable to the subscription agent; or
- Wire transfer of immediately available funds, to the subscription account maintained by the subscription agent at First National Bank Southwest, ABA #111924392, Account #4038515, Account Name: Securities Transfer Corporation as Agent for Rave Restaurant.

Receipt of Payment

Your payment will be considered received by the subscription agent only upon:

- Receipt and clearance of any uncertified check;
- Receipt by the subscription agent of any certified check or bank draft drawn upon a U.S. bank, or any money order;
- Receipt by wire transfer of good funds in the subscription agent's account designated above.

Please note that funds paid by uncertified personal check may take at least five business days to clear. Accordingly, if you wish to pay by means of an uncertified personal check, we urge you to make payment sufficiently in advance of the expiration date to ensure that the subscription agent receives cleared funds before the expiration date. We also urge you to consider payment by means of a certified or cashier's check or money order.

No Revocation

Once you deliver your rights certificate and payment to the subscription agent, you cannot revoke the exercise of your subscription rights, even if the subscription period has not yet ended, we extend the expiration date, you learn information about us that you consider to be unfavorable or the market price of our common stock declines.

Issuance of Convertible Notes

We will issue and register by book entry the convertible notes purchased in the rights offering promptly following the expiration date. The convertible notes will be registered by book entry under the name of Securities Transfer Corporation, our transfer agent, who will act as the trustee for noteholders. We will not issue individual certificates or instruments evidencing the convertible notes. Upon issuance, the convertible notes will be transferable.

Guaranteed Delivery Procedures

If you wish to exercise your subscription rights, but you do not have sufficient time to deliver the rights certificate to the subscription agent on or before the expiration date, you may exercise your subscription rights by the following guaranteed delivery procedures:

- Deliver your full subscription payment (including any exercise of over-subscription rights) to the subscription agent in the manner set forth above under "Method of Payment" on or prior to the expiration date;

- Deliver the form entitled "Notice of Guaranteed Delivery," substantially in the form provided with the "Instructions as to Use of Rights Certificates" distributed with your rights certificates, at or prior to the expiration date; and

- Deliver the properly completed rights certificate evidencing your rights being exercised and the related nominee holder certification, if applicable, with any required signatures guarantee, to the subscription agent within three business days following the date of your Notice of Guaranteed Delivery.

Your Notice of Guaranteed Delivery must be delivered in substantially the form provided with the "Instructions as to Use of Rights Certificates" distributed to you with your rights certificate. Your Notice of Guaranteed Delivery must come from an Eligible Guarantor Institution, or other institutions which are members of, or participants in, a signature guarantee program acceptable to the subscription agent.

In your Notice of Guaranteed Delivery, you must state:

- Your name;

- The number of subscription rights represented by your rights certificates and the amount of convertible notes for which you are subscribing (and over-subscribing); and

- Your guarantee that you will deliver to the subscription agent any rights certificate evidencing the subscription rights you are exercising within three business days following the date the subscription agent receives your Notice of Guaranteed Delivery.

You may deliver your Notice of Guaranteed Delivery to the subscription agent in the same manner as your rights certificates at the address set forth above under "Delivery of Subscription Materials and Payment." Alternatively, you may transmit your Notice of Guaranteed Delivery to the subscription agent by facsimile transmission to (469) 633-0088. To confirm facsimile deliveries, you may call (469) 633-0101.

Determinations Regarding the Exercise of Your Subscription Rights

We will decide all questions concerning the timeliness, validity, form and eligibility of your exercise of your subscription rights, and our determinations will be final and binding. We, in our sole discretion, may waive any defect or irregularity, or permit a defect or irregularity to be corrected within such time as we may determine. We may reject the exercise of any of your subscription rights because of any defect or irregularity. We will not accept any subscription until all irregularities have been waived by us or cured by you within such time as we may decide, in our sole discretion.

Neither we nor the subscription agent will be under any duty to notify you of any defect or irregularity in connection with your submission of rights certificates and we will not be liable for failure to notify you of any defect or irregularity. We reserve the right to reject your exercise of subscription rights if your exercise is not in accordance with the terms of this offering or in proper form. We will also not accept your exercise of rights if your ownership of convertible notes could be deemed unlawful under applicable law or is materially burdensome to us.

If you are given notice of a defect in your subscription, you will have five business days after the giving of notice to correct it. You will not, however, be allowed to cure any defect after the expiration date of this offering. We will not consider an exercise to be made until all defects have been cured or waived.

Notice to Bankers, Trustees or Other Depositaries

If you are a broker, a trustee or a depositary for securities who holds shares of our common stock for the account of others at the close of business on the record date, you should notify the respective beneficial owners of such shares of this offering as soon as possible to find out their intentions with respect to exercising their subscription rights. You should obtain instructions from the beneficial owners with respect to the subscription rights, as set forth in the instructions we have provided to you for your distribution to beneficial owners. If the beneficial owner so instructs, you should complete the appropriate rights certificate and submit it to the subscription agent with the proper payment. If you hold shares of our common stock for the accounts of more than one beneficial owner, you may exercise the number of subscription rights to which all such beneficial owners in the aggregate otherwise would have been entitled had they been direct record holders of our common stock on the record date, provided that you, as a nominee record holder, make a proper showing to the subscription agent by submitting the form entitled "Nominee Holder Certification" which we provide to you with the offering materials.

Notice to Beneficial Owners

If you are a beneficial owner of shares of our common stock or will receive your subscription rights through a broker, custodian bank or other nominee, we will ask your broker, custodian bank or other nominee to notify you of this offering. If you wish to exercise your subscription rights, you will need to have your broker, custodian bank or other nominee act for you. If you hold certificates of our common stock directly and would prefer to have your broker, custodian bank or other nominee exercise your subscription rights, you should contact your nominee and request it to effect the transaction for you. To indicate your decision with respect to your subscription rights, you should complete and return to your broker, custodian bank or other nominee the form entitled "Beneficial Owner Election Form." You should receive this form from your broker, custodian bank or other nominee with the other offering materials. If you wish to obtain a separate rights certificate, you should contact the nominee as soon as possible and request that a separate rights certificate be issued to you.

Subscription and Escrow Agent

We have appointed Securities Transfer Corporation as subscription agent and escrow agent for this offering. We will pay the fees and certain expenses of the subscription and escrow agent, which we estimate will total approximately $25,000. Under certain circumstances, we may indemnify the subscription and escrow agent from certain liabilities that may arise in connection with this offering.

Fees and Expenses

Other than fees charged by the subscription agent, you are responsible for paying any other commissions, fees, taxes or other expenses incurred in connection with the exercise of the subscription rights. Neither we nor the subscription agent will pay such expenses.

Other Matters

We are not making this offering in any state or other jurisdiction in which it is unlawful to do so, nor are we selling or accepting any offers to purchase any convertible notes from rights holders who are residents of those states or other jurisdictions. We may delay the commencement of this offering in those states or other jurisdictions, or change the terms of this offering, in order to comply with the securities law requirements of those states or other jurisdictions. We may decline to make modifications to the terms of this offering requested by those states or other jurisdictions, in which case, if you are a resident in those states or jurisdictions, you will not be eligible to participate in this offering.

We will not be required to issue convertible notes to you pursuant to this offering if, in our opinion, you would be required to obtain prior clearance or approval from any state or federal regulatory authority to own or control such convertible notes if, at the expiration date of the offering, you have not obtained such clearance or approval.

No Board Recommendation

An investment in our convertible notes must be made according to each investor's evaluation of its own best interests. Accordingly, our board of directors makes no recommendation to rights holders regarding whether they should exercise their subscription rights.

If You Have Questions about Exercising Rights

If you have questions or need assistance concerning the procedure for exercising subscription rights, or if you would like additional copies of this prospectus, the "Instructions as to Use of Rights Certificates" or the "Notice of Guaranteed Delivery," you should contact Clinton J. Coleman, our Interim President and Chief Executive Officer, or the subscription agent at the following addresses and telephone numbers:

Clinton J. Coleman
Rave Restaurant Group, Inc.
3551 Plano Parkway
The Colony, TX 75056
Telephone: (469) 384-5000

or

Securities Transfer Corporation
2901 North Dallas Parkway, Suite 380
Plano, Texas 75093
Telephone: (469) 633-0101

DESCRIPTION OF THE CONVERTIBLE NOTES

We will issue the convertible notes under an indenture between Rave and Securities Transfer Corporation, as trustee. Pursuant to an available exemption, the indenture will not be registered under or governed by the Trust Indenture Act of 1939, as amended. The convertible notes will be secured by a pledge agreement between Rave and Securities Transfer Corporation, as trustee under the indenture, with respect to all of the outstanding equity securities of Rave's two primary direct operating subsidiaries, Pie Five Pizza Company, Inc. and Pizza Inn, Inc.

The following description is a summary of the material provisions of the convertible notes, the indenture and the pledge agreement, and does not purport to be complete. This summary is subject to and is qualified by reference to all the provisions of the convertible notes, the indenture and the pledge agreement, including the definitions of certain terms used therein. We urge you to read these documents because they, and not this description, define your rights as a holder of the convertible notes.

General

The convertible notes will:

- Be Rave's senior obligations secured solely by a pledge of all outstanding equity securities of its two primary operating subsidiaries;
- Be issued up to an aggregate principal amount of $3,000,000, in denominations of $100;
- Be represented by one or more registered notes in global form, but in certain limited circumstances may be represented by notes in definitive form (see "Book-Entry, Settlement and Clearance");

- Bear interest from the date of issuance at an annual rate of 4.0% payable annually in arrears on February 15 of each year, commencing February 15, 2018;
- Mature on February 15, 2022, unless earlier converted or redeemed by us;
- Be convertible to common stock effective on February 15, May 15, August 15 and November 15 of each year, unless we sooner elect to redeem the notes;
- Be redeemable by us at 110% of par plus any accrued unpaid interest at any time on or after February 15, 2018, and prior to maturity; and
- Be subject to repurchase by us at the option of the holders following a fundamental change (as defined below), at 100% of par plus accrued unpaid interest.

Interest and, at maturity, principal will be paid to the person in whose name a convertible note is registered on a record date 10 business days prior to the payment date. At our discretion, interest and principal payments may be paid in cash or shares of our common stock. If interest or principal is paid in shares of our common stock, the number of shares to be issued will be based on the average of the closing prices of our common stock as reported by Bloomberg L.P. for the 30 trading days preceding the applicable record date. Fractional shares will not be issued and the final number of shares of our common stock will be rounded up to the next whole share.

Holders may convert their notes to shares of our common stock effective on February 15, May 15, August 15 and November 15 of each year, unless we sooner elect to redeem the convertible notes. The conversion right is exercisable by written notice from the noteholder to the trustee, which notice is irrevocable. Notes will be converted to shares of our common stock on the next scheduled conversion date following 10 business days after receipt of a conversion notice by the trustee. The conversion price is $2.00 per share of common stock (i.e., 50 shares per convertible note), subject to adjustment as described below. We will pay accrued interest through the effective date of the conversion in cash or, at our sole discretion, in shares of our common stock.

At our discretion, at any time on or after February 15, 2018, we are entitled to redeem outstanding notes at 110% of par plus any accrued interest. We will give you notice of our intent to redeem convertible notes at least 60 days prior to redemption and you will have 30 days after the date of such notice to elect to convert your notes to shares of our common stock prior to redemption, after which the notes will cease to be convertible.

Pursuant to the pledge agreement, Rave will grant to Securities Transfer Corporation, as trustee under the indenture, a first lien security interest in all of the issued and outstanding common stock of Pie Five Pizza Company, Inc. and Pizza Inn, Inc., its two primary direct operating subsidiaries. Securities Transfer Corporation will hold such collateral on behalf of noteholders and, in the event of default in the payment of principal or interests under the convertible notes, may foreclose the security interest for the benefit of noteholders.

Neither the indenture nor the pledge agreement contains any financial covenants or restricts us from incurring other indebtedness, paying dividends or issuing or repurchasing our other securities. Other restrictions are described under "Fundamental Change Permits Holders to Require Us to Repurchase Convertible Notes" and "Consolidation, Merger and Sale of Assets" below. See also the risks described under "Risk Factors — Risks Associated with the Rights Offering and Convertible Notes."

Purchase and Cancellation

We will cause all convertible notes surrendered for payment, registration of transfer or exchange or conversion, if surrendered to any person other than the trustee, to be delivered to the trustee for cancellation. All convertible notes delivered to the trustee will be cancelled promptly by the trustee. No convertible notes will be authenticated in exchange for any convertible notes cancelled as provided in the indenture.

Payments on the Convertible Notes; Paying Agent and Registrar; Transfer and Exchange

We will pay the principal of, and interest on, notes in global form registered in the name of or held by The Depository Trust Company, or DTC, or its nominee in immediately available funds or in shares of our common stock, at our discretion, to DTC or its nominee, as the case may be, as the registered holder of such global note.

We will pay the principal of any certificated notes at the office or agency designated by us for that purpose. We have initially designated the trustee as our paying agent and registrar and its office in Dallas, Texas as the place where convertible notes may be presented for payment or for registration of transfer. We may, however, change the paying agent or registrar without prior notice to the holders of the convertible notes.

A holder of convertible notes may transfer or exchange such notes at the office of the registrar in accordance with the indenture. The registrar, paying agent and trustee may require a holder, among other things, to furnish appropriate endorsements and transfer documents. No service charge will be imposed by us, the trustee, the paying agent or the registrar for any registration of transfer or exchange of convertible notes, but we may require a holder to pay a sum sufficient to cover any transfer tax or other similar governmental charge required by law or permitted by the indenture. We are not required to transfer or exchange any note surrendered for conversion or required repurchase.

The registered holder of a convertible note will be treated as its owner for all purposes.

Interest

The notes will bear cash interest at a rate of 4.0% per year until maturity. Interest on the convertible notes will accrue from the date of initial issuance or from the most recent date on which interest has been paid. Interest will be payable annually in arrears on February 15 of each year, commencing February 15, 2018. Accrued interest will also be paid on the effective date of conversion of any note. Interest will be paid to the person in whose name a convertible note is registered on a record date 10 business days prior to the payment date. Interest on the convertible notes will be computed on the basis of a 360-day year composed of twelve 30-day months. At our discretion, interest payments may be paid in cash or shares of common stock. If interest is paid in shares of our common stock, the number of shares to be issued will be based on the average of the closing prices of our common stock as reported by Bloomberg L.P. for the 30 trading days preceding the applicable record date. Fractional shares will not be issued and the final number of shares of common stock rounded up to the next whole share.

If any interest payment date, any conversion date, the maturity date or any earlier required repurchase date upon a fundamental change falls on a day that is not a business day, the required payment will be made on the next succeeding business day and no interest on such payment will accrue in respect of the delay. The term "business day" means, with respect to any convertible note, any day other than a day on which U.S. banking institutions are authorized or required by law or regulation to close or be closed.

Security

Under a pledge agreement between Rave and Securities Transfer Corporation, as trustee under the indenture, Rave will grant to Securities Transfer Corporation a first lien security interest in all of the issued and outstanding common stock of Pie Five Pizza Company, Inc. and Pizza Inn, Inc., its two primary direct operating subsidiaries, as security for its repayment of principal and interest on the convertible notes and performance of its other obligations under the indenture. Pursuant to the pledge agreement, Rave will deliver to Securities Transfer Corporation certificates representing the pledged equity securities and take such other actions as may be necessary for Securities Transfer Corporation to perfect and maintain its security interest in the pledged securities on behalf and for the benefit of noteholders. In the event we fail to promptly pay in full when due, whether at stated maturity, by acceleration or otherwise, all principal and interest of the convertible notes, Securities Transfer Corporation may (but is not required to) foreclose on the security interest, sell the pledged equity securities and distribute to the noteholders the net proceeds after payment of all foreclosure expenses. So long as there is no default under the convertible notes, Rave will be entitled to receive all cash dividends on the pledged equity securities and will retain the right to vote the pledged equity securities with respect to matters not adversely affecting the rights of the pledgee.

Ranking

The convertible notes will be senior obligations of Rave secured solely by the pledge of all outstanding equity securities of its two primary direct operating subsidiaries. The convertible notes will rank senior in right of payment to all of our indebtedness that is expressly subordinated in right of payment to the convertible notes. The convertible notes will be effectively senior in right of payment to other indebtedness of Rave to the extent of the value of the pledged equity securities. To the extent of any deficiency in the value of the pledged equity securities, the convertible notes will rank equal in right of payment with any of Rave's unsecured indebtedness that is not expressly subordinated. The convertible notes will be effectively junior in right of payment to any of our indebtedness that is secured by other assets to the extent of the value of such other assets. The convertible notes are not guaranteed by any of Rave's direct and indirect subsidiaries and, therefore, will be structurally junior to the indebtedness and other liabilities of such direct and indirect subsidiaries.

Redemption

We may at our option redeem the convertible notes at any time on or after February 15, 2018, by payment of an amount in cash equal to 110% of the par value plus any accrued interest. We will provide notice to the trustee and the depositary at least 75 days before any redemption date and will provide notice to you at least 60 days before any redemption date. You will have 30 days after the date of your notice to elect to convert your notes to shares of our common stock prior to redemption, after which the notes will cease to be convertible. The depositary will initially be The Depository Trust Company, or DTC. No "sinking fund" is provided for the convertible notes and we are not required to retire the notes periodically.

Conversion Rights and Procedure

Noteholders may convert their notes to shares of our common stock effective on February 15, May 15, August 15 and November 15 of each year, unless we sooner elect to redeem the convertible notes. Convertible notes may not be partially converted. The conversion right is exercisable by the noteholder completing and delivering to the trustee a written conversion notice, which notice is irrevocable. Convertible notes will be converted to shares of our common stock on the next scheduled conversion date following 10 business days after receipt of a conversion notice by the trustee. The conversion price is $2.00 per share of common stock (i.e., 50 shares per convertible note), subject to adjustment as described below. We will pay accrued interest through the effective date of the conversion in cash or, at our sole discretion, in shares of our common stock. The conversion right is exercisable in the sole discretion of the noteholder.

Conversion Rate Adjustments

The conversion rate will be adjusted if shares of common stock are issued as a dividend or other distribution on all or substantially all shares of our common stock, or if the Company effects a share split or share combination on its common stock. In such event, the conversion rate will be adjusted based upon the ratio of the number of shares outstanding immediately prior to such event over the number of shares outstanding immediately after such event multiplied by the conversion rate prior to the event.

The conversion rate will also be adjusted if a "make-whole fundamental change" occurs, as defined in the following section. The conversion price will be determined by reference to the stock price deemed paid per share in the make-whole fundamental change transaction. If the make-whole fundamental change conversion price is less than the conversion price, then the difference will determine the number of additional shares to be received per $100 principal amount of note converted. If the make-whole fundamental change conversion price is equal to or more than the conversion price, then no additional shares will be received upon conversion.

Fundamental Change Permits Holders to Require Us to Repurchase Convertible Notes

If a "fundamental change" (as defined below) occurs at any time, holders will have the right, at their option, to require us to repurchase for cash all of their outstanding convertible notes. The fundamental change repurchase date will be a date specified by us that is not less than 20 or more than 35 calendar days following the date of our fundamental change notice as described below.

The fundamental change repurchase price we are required to pay will be equal to 100% of the principal amount of the convertible notes to be repurchased, plus accrued and unpaid interest to, but excluding, the fundamental change repurchase date (unless the fundamental change repurchase date falls after a regular record date but on or prior to the interest payment date to which such regular record date relates, in which case we will instead pay the full amount of accrued and unpaid interest to the holder of record on such regular record date, and the fundamental change repurchase price will be equal to 100% of the principal amount of the notes to be repurchased).

A "fundamental change" will be deemed to have occurred if any of the following occurs (with the first two being defined as "make-whole fundamental changes"):

(1) A "person" or "group" within the meaning of Section 13(d) of the Exchange Act (other than Rave, its direct and indirect subsidiaries and their respective employee benefit plans, and Newcastle Partners L.P. and its affiliates), files a Schedule 13D, Schedule 13G or Schedule TO (or any successor schedule, form or report) pursuant to the Exchange Act disclosing that such person or group, as the case may be, has become the direct or indirect "beneficial owner," as defined in Rule 13d-3 under the Exchange Act, of shares of our common equity representing more than 50% of the voting power of our common equity;

(2) The consummation of any binding share exchange, exchange offer, tender offer, consolidation or merger of the Company pursuant to which all or substantially all shares of the common stock will be converted into cash, securities or other property, or any sale, lease or other transfer in one transaction or a series of transactions of all or substantially all of the consolidated assets of Rave and its direct and indirect subsidiaries, taken as a whole, to any person other than Rave or one or more of its direct or indirect subsidiaries; *provided*, *however*, that a transaction in which the holders of all classes of our common equity immediately prior to such transaction own, directly or indirectly, more than 50% of the voting power of the continuing or surviving corporation or transferee or the parent thereof immediately after such transaction in substantially the same proportions as such ownership immediately prior to such transaction shall not be a fundamental change pursuant to this clause;

(3) Our shareholders approve any plan or proposal for our liquidation or dissolution; or

(4) Our common stock ceases to be listed or quoted on any U.S. national securities exchange.

A transaction or transactions described in clause (2) above will not constitute a fundamental change, however, if at least 50% of the consideration received or to be received by our common shareholders, excluding cash payments for fractional shares and cash payments made in respect of dissenters' appraisal rights, in connection with such transaction or transactions consists of shares of common stock that are listed or quoted on a U.S. national securities exchange or will be so listed or quoted when issued or exchanged in connection with such transaction or transactions and as a result of such transaction or transactions the notes become convertible into such consideration, excluding cash payments for fractional shares.

On or before the 20th day after the occurrence of a fundamental change, we will provide to all holders of the convertible notes and the trustee and paying agent a written notice of the occurrence of the fundamental change and of the resulting repurchase right. Such notice shall state, among other things:

· The events causing a fundamental change;

· The date of the fundamental change;

· Whether the fundamental change is a make whole fundamental change, which means the conversion price will be adjusted;

- The last date on which a holder may exercise the repurchase right;
- The fundamental change repurchase price;
- The fundamental change repurchase date;
- If applicable, the conversion rate and any adjustments to the conversion rate;
- If applicable, that the notes with respect to which a fundamental change repurchase notice has been delivered by a holder may be converted only if the holder withdraws the fundamental change repurchase notice in accordance with the terms of the indenture; and
- The procedures that holders must follow to require us to repurchase their notes.

To exercise the fundamental change repurchase right, you must deliver, on or before the business day immediately preceding the fundamental change repurchase date, the convertible notes to be repurchased, duly endorsed for transfer, together with a written repurchase notice, to the paying agent.

The repurchase rights of the holders could discourage a potential acquirer of us. The fundamental change repurchase feature, however, is not the result of management's knowledge of any specific effort to obtain control of us by any means or part of a plan by management to adopt a series of anti-takeover provisions.

The term fundamental change is limited to specified transactions and may not include other events that might adversely affect our financial condition. In addition, the requirement that we offer to repurchase the convertible notes upon a fundamental change may not protect holders in the event of a highly leveraged transaction, reorganization, merger or similar transaction involving us.

If we fail to repurchase the notes when required following a fundamental change, we will be in default under the indenture.

Consolidation, Merger and Sale of Assets

If we are a constituent party to a merger, or if we sell all or substantially all of our assets to a third party, and our common stockholders are entitled to receive cash, securities or other property for shares of their common stock as a result of the transaction, then noteholders will be entitled to convert their notes into the kind and amount of cash, securities or other property, based on the conversion price in effect immediately prior to the transaction.

Events of Default

Each of the following will constitute an event of default with respect to the notes under the indenture:

(1) Default in any payment of interest on any convertible note when due and payable and the default continues for a period of 60 days;

(2) Default in the payment of principal of any convertible note at its maturity, upon required repurchase, upon declaration of acceleration, or otherwise;

(3) Material breach of the indenture, other than payment of interest or principal when due, which remains uncured for 90 days following notice thereof by the trustee; or

(4) Certain events of bankruptcy, insolvency, or reorganization.

If an event of default occurs and is continuing, the holders of at least a majority in principal amount of the outstanding convertible notes by written notice to us and the trustee, may, and the trustee at the request of such holders (subject to the provisions of the indenture) shall, declare 100% of the principal of and accrued and unpaid interest, if any, on all the convertible notes to be due and payable. In case of certain events of bankruptcy, insolvency or reorganization, involving us or a significant subsidiary, 100% of the principal of and accrued and unpaid interest on the notes will automatically become due and payable. Upon such an acceleration, such principal and accrued and unpaid interest, if any, will be due and payable immediately.

Modification and Amendment

We and the trustee may amend or supplement the indenture or the convertible notes without notice to or the consent of any holder of the notes:

- To cure any ambiguity, inconsistency or omission in the indenture or the convertible notes in a manner that does not adversely affect the rights of any holder;
- To cure any defect or error in the indenture or the convertible notes or to conform the terms of the indenture or the convertible notes to the description thereof in this prospectus;
- To provide for the assumption of Rave's obligations by a permitted successor company;
- To add guarantees with respect to the convertible notes;
- To secure the convertible notes;
- To add to the covenants of the Company such further covenants, restrictions or conditions for the benefit of the holders or surrender any right or power conferred upon the Company;
- To make any change that does not materially adversely affect the rights of any holder of convertible notes; or
- To appoint a successor trustee under the indenture with respect to the convertible notes.

Without the consent of the majority of the holders of the outstanding note affected, no amendment may:

- Reduce the percentage in aggregate principal amount of convertible notes whose holders must consent to an amendment of the indenture or waive any past event of default;
- Reduce the rate of or extend the stated time for payment of interest on any convertible note;
- Reduce the principal amount or extend the maturity date of any convertible note;
- Make any change that impairs or otherwise adversely affects the conversion rights of any notes;
- Reduce the redemption price or the fundamental change repurchase price of any convertible note or amend or modify in any manner adverse to the holders of convertible notes our obligation to make such payments whether through an amendment or waiver of provisions in the covenants, definitions or otherwise;
- Make any note payable in a currency other than U.S. dollars;
- Make any change which releases any security or otherwise adversely affects the ranking of the convertible notes;
- Impair the right of any holder to receive payment of principal of and interest on the convertible notes on or after the due dates thereof or to institute suit for the enforcement of any payment on or with respect to such holder's convertible notes; or

- Make any change in the amendment or waiver provisions of the indenture.

Book-Entry, Settlement and Clearance

The Global Notes

The convertible notes will be initially issued in the form of one or more registered notes in global form, without interest coupons (the "global notes"). Upon issuance, each of the global notes will be deposited with the trustee as custodian for DTC and registered in the name of Cede & Co., as nominee of DTC.

Ownership of beneficial interests in a global note will be limited to persons who have accounts with DTC ("DTC participants") or persons who hold interests through DTC participants. We expect that under procedures established by DTC:

- Upon deposit of a global note with DTC's custodian, DTC will credit portions of the principal amount of the global note to the accounts of the DTC participants designated by the subscription agent; and

- Ownership of beneficial interests in a global note will be shown on, and transfer of ownership of those interests will be effected only through, records maintained by DTC (with respect to interests of DTC participants) and the records of DTC participants (with respect to other owners of beneficial interests in the global note).

Beneficial interests in global notes may not be exchanged for notes in physical, certificated form except in the limited circumstances described below.

Book-Entry Procedures for the Global Notes

All interests in the global notes will be subject to the operations and procedures of DTC. We provide the following summary of those operations and procedures solely for the convenience of investors. The operations and procedures of DTC are controlled by that settlement system and may be changed at any time. We are not responsible for those operations or procedures.

DTC was created to hold securities for its participants and to facilitate the clearance and settlement of securities transactions between its participants through electronic book-entry changes to the accounts of its participants. DTC's participants include securities brokers and dealers, banks and trust companies, clearing corporations and other organizations. Indirect access to DTC's system is also available to others such as banks, brokers, dealers and trust companies. These indirect participants clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly. Investors who are not DTC participants may beneficially own securities held by or on behalf of DTC only through DTC participants or indirect participants in DTC.

So long as DTC's nominee is the registered owner of a global note, that nominee will be considered the sole owner or holder of the convertible notes represented by that global note for all purposes under the indenture. Except as provided below, owners of beneficial interests in a global note:

- Will not be entitled to have notes represented by the global note registered in their names;

- Will not receive or be entitled to receive physical, certificated notes; and

- Will not be considered the owners or holders of the convertible notes under the indenture for any purpose, including with respect to the giving of any direction, instruction or approval to the trustee under the indenture.

As a result, each investor who owns a beneficial interest in a global note must rely on the procedures of DTC to exercise any rights of a holder of convertible notes under the indenture (and if the investor is not a participant or an indirect participant in DTC, on the procedures of the DTC participant through which the investor owns its interest). Payments of principal and interest with respect to the convertible notes represented by a global note will be made by the trustee to DTC's nominee as the registered holder of the global note. Neither we nor the trustee will have any responsibility or liability for the payment of amounts to owners of beneficial interests in a global note, for any aspect of the records relating to or payments made on account of those interests by DTC, or for maintaining, supervising or reviewing any records of DTC relating to those interests.

Payments by participants and indirect participants in DTC to the owners of beneficial interests in a global note will be governed by standing instructions and customary industry practice and will be the responsibility of those participants or indirect participants and DTC. Transfers between participants in DTC will be effected under DTC's procedures and will be settled in same-day funds or shares of our common stock, as herein provided.

DESCRIPTION OF COMMON STOCK

General

Our authorized capital stock consists solely of 26,000,000 shares of common stock, par value $0.01 per share. As of the date of this prospectus, 10,656,551 shares of our common stock were outstanding. In addition, 1,903,840 shares of our common stock are reserved for issuance under our equity compensation plans. Our common stock is currently traded on the Nasdaq Capital Market under the symbol "RAVE."

The following description of our common stock is a summary and is qualified in its entirety by reference to our Articles of Incorporation and Bylaws, the provisions of Missouri corporate law and other applicable state law.

Dividend, Liquidation and Other Rights. Holders of shares of our common stock are entitled to receive ratably those dividends that may be declared by our board of directors out of legally available funds. Our board of directors will determine if and when distributions may be paid. However, we have never paid dividends on our common stock and our board of directors intends to continue this policy for the foreseeable future in order to retain earnings for development of our business. The holders of shares of our common stock have no preemptive, subscription or conversion rights. All shares of our common stock to be outstanding following this offering and any conversion of convertible notes will be duly authorized, fully paid and non-assessable. Upon our liquidation, dissolution or winding up, the holders of our common stock will be entitled to share ratably in the net assets legally available for distribution to shareholders after the payment of all of our debts and other liabilities.

Voting Rights. Each outstanding share of our common stock entitles the holder to one vote on all matters presented to our shareholders for a vote. The holders of a majority of the outstanding shares of our common stock constitute a quorum at any meeting of our shareholders. Assuming the presence of a quorum, directors are elected by the affirmative vote of the holders of a majority of the outstanding shares represented in person or by proxy at the meeting. Our common stock does not have cumulative voting rights. Therefore, the holders of a majority of the outstanding shares of our common stock can elect all of our directors. Amendments to our Articles of Incorporation must be approved by the affirmative vote of the holders of a majority of all outstanding shares of our common stock. Assuming the presence of a quorum, the affirmative vote of the holders of a majority of the outstanding shares entitled to vote and represented at the meeting in person or by proxy is required for the approval of substantially all other matters.

Anti-Takeover Effects of Certain Statutory Provisions

There are no provisions in our Articles of Incorporation or our Bylaws intended to prevent or restrict takeovers, mergers or acquisitions of our Company. However, certain provisions of Missouri corporate law could have the effect of discouraging others from attempting hostile takeovers of our Company. It is possible that these provisions could make it more difficult to accomplish transactions which our shareholders may otherwise deem to be in their best interests.

Control Share Acquisition Provisions

Missouri corporate law contains provisions governing "control share acquisitions." These provisions generally provide that any person or entity crossing a 20%, 33.33% or 50% threshold in ownership of the outstanding voting shares of a publicly-held Missouri corporation will be denied voting rights with respect to any shares above the threshold, unless such voting rights are approved by the holders of a majority of all outstanding voting shares and a majority of the outstanding voting shares held by disinterested shareholders. The shareholders or board of directors of a Missouri corporation may elect to exempt its stock from the control share acquisition statute through adoption of a provision to that effect in the articles of incorporation or bylaws of the corporation. However, neither our Articles of Incorporation nor our Bylaws exempt our common stock from the Missouri control share acquisition statute. Therefore, the statute could discourage persons interested in acquiring a significant interest in or control of our Company, regardless of whether such acquisition was in the best interest of our shareholders.

Shares acquired directly from the corporation or upon conversion of debt securities are not considered in calculating the ownership thresholds of the Missouri control share provisions. Therefore, neither the exercise of rights to purchase our convertible notes nor the conversion of such notes to shares of our common stock is expected to implicate these control share provisions.

Business Combination Provisions

Missouri corporate law also contains provisions governing "business combinations" with interested shareholders, which may also have an effect of delaying or making it more difficult to effect a change in control of our Company. The statute prevents an "interested shareholder" in a Missouri corporation from entering into a "business combination" with such corporation or any subsidiary of such corporation unless certain conditions are met. An "interested shareholder" is defined as the beneficial owner, directly or indirectly, of 20% or more of the outstanding voting stock of a Missouri corporation, or an affiliate or associate thereof. A "business combination" includes any merger or consolidation with an interested shareholder, the sale, lease exchange, mortgage, pledge, transfer or other disposition of 10% or more of the corporation's assets to an interested shareholder, and certain other issuances, adoptions and reclassifications involving an interested shareholder.

A corporation affected by these Missouri statutes may not engage in a business combination with an interested shareholder for a period of five years following the date on which such interested shareholder became an interested shareholder, unless such business combination or the purchase of stock was approved by the corporation's board of directors on or prior to such date. If pre-approval was not obtained, then after the expiration of the five-year period the combination may be consummated with the approval of a majority of the voting power held by disinterested shareholders or if the consideration to be paid by the interested shareholder is at least equal to the highest of certain specified thresholds.

Takeover Bid Provisions

Missouri law also governs "takeover bids." A "takeover bid" is the acquisition of or offer to acquire, pursuant to a tender offer or request or invitation for tenders, any equity securities with voting rights, if after acquisition the offeror would own more than 5% of any class of equity securities. An "equity security" is any stock, bond or other obligation of a target company, the holder of which has the right to vote for the board of directors of the target company.

The statute prohibits any takeover bid by a person or entity unless a special registration statement is filed with the commissioner of securities and delivered to the target company. The special registration statement must include a significant amount of information including, among other things, all informational material that the offeror proposes to disclose to the offerees, the identity and background of all persons and entities on whose behalf the acquisition is to be effected, the exact title and number of shares outstanding being sought by the offeror, and the source and amount of funds or other consideration to be used in the acquisition.

Limitation of Liability and Indemnification

Our Articles of Incorporation and Bylaws include indemnification provisions under which we have agreed to indemnify our directors, officers, employees and agents to the fullest extent permissible by law. These provisions may discourage derivative litigation against our directors and officers even if such action, if successful, might benefit us and our shareholders. Furthermore, our shareholders may be adversely affected to the extent we are required to pay the costs of defense, settlement or damages on behalf of our directors or officers pursuant to these indemnification provisions.

Transfer Agent

The transfer agent and registrar for our common stock is Securities Transfer Corporation.

FEDERAL INCOME TAX CONSIDERATIONS

The following summarizes the material federal income tax consequences to U.S. holders, as defined below, of the receipt, lapse, or exercise of the subscription rights distributed pursuant to the rights offering. This discussion does not address the tax consequences of the rights offering under applicable state, local or foreign tax laws. Moreover, this discussion does not address every aspect of taxation that may be relevant to a particular taxpayer under special circumstances or who is subject to special treatment under applicable law and is not intended to be applicable in all respects to all categories of investors. For example, certain types of investors, such as insurance companies, tax-exempt persons, financial institutions, regulated investment companies, dealers in securities, persons who hold shares of our common stock as part of a hedging, straddle, constructive sale or conversion transaction, persons whose functional currency is not the U.S. dollar and persons who are not treated as a U.S. shareholder could be subject to different tax consequences.

For purposes of this discussion, a U.S. holder is a holder of our common stock that is:

- A citizen or resident of the United States;
- A corporation, partnership or other entity created in or organized under the laws of the United States or any state or political subdivision thereof;
- An estate the income of which is includable in gross income for U.S. federal income tax purposes regardless of its source; or
- A trust (i) the administration of which is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust, or (ii) that was in existence on August 20, 1996, was treated as a U.S. person on the previous day, and elected to continue to be so treated.

This summary is based on the Internal Revenue Code of 1986, as amended (which we refer to as the "Code"), the Treasury regulations promulgated thereunder, judicial authority and current administrative rules and practice, any of which may subsequently be changed, possibly retroactively, or interpreted differently by the Internal Revenue Service, so as to result in U.S. federal income tax consequences different from those discussed below. The discussion that follows neither binds nor precludes the Internal Revenue Service from adopting a position contrary to that expressed in this prospectus, and we cannot assure you that such a contrary position could not be asserted successfully by the Internal Revenue Service or adopted by a court if the position was litigated. We have not obtained a ruling from the Internal Revenue Service or a written opinion from tax counsel with respect to the federal income tax consequences discussed below. This discussion assumes that your shares of common stock and the subscription rights and securities issued to you during the rights offering constitute capital assets within the meaning of Code Section 1221.

THIS DISCUSSION IS INCLUDED FOR YOUR GENERAL INFORMATION ONLY. YOU SHOULD CONSULT YOUR TAX ADVISOR TO DETERMINE THE TAX CONSEQUENCES TO YOU OF THE RIGHTS OFFERING IN LIGHT OF YOUR PARTICULAR CIRCUMSTANCES, INCLUDING ANY STATE, LOCAL AND FOREIGN TAX CONSEQUENCES.

Subscription Rights

Each whole subscription right entitles the holder to purchase one of our 4% Convertible Senior Notes due 2022, at the par value of $100 each. Generally, the distribution of stock by a corporation to its shareholders with respect to their stock is not taxable to such shareholders pursuant to Section 305(a) of the Code. For such purpose, a distribution of rights to acquire stock of the distributing corporation constitutes a distribution of stock.

The Tax Court and the Internal Revenue Service ("Service") have extended this definition of "stock" to include rights to acquire bonds which are convertible into stock, provided the value of the rights is attributable to the conversion privilege and not to the privilege of acquiring a form of convertible debt. Powel v. Cmr., 27 B.T.A. 55 (1932), acq., XIII-2 C.B. 15 (1934); GCM 13275, XIII-2 C.B. 121 (1934); GCM 37260 (1977). In the event that rights to acquire convertible bonds have value independent of the right of the conversion privilege, the rights distribution would be a distribution of property (as defined in Section 317(a) of the Conde) taxable under Section 301 of the Code. Under Section 301, distributions are treated as follows: first, as a dividend to the extent of the distributing corporation's earnings and profits; second, as a tax-free return of capital to the extent of the distributee-shareholder's adjusted basis in its shares; and third, as gain from the sale or exchange of the distributee-shareholder's shares. Section 301(c).

In this case, the subscription rights are to acquire convertible notes, not Company common stock. Since a subscription right holder can acquire a $100 par value convertible note by paying $100 in cash, and since the fair market value of a 4% note with the attributes of the convertible notes without a conversion privilege would likely sell at less than face value under current market conditions, it is reasonable to conclude that the subscription rights have no value independent of the ability of the convertible notes to convert into our common stock. Accordingly, the distribution of the subscription rights should qualify as tax-free under Section 305 of the Code.

However, if a distribution of stock or rights to acquire stock is within one of several exceptions to the general rule of Section 305(a) set forth in Section 305(b) of the Code, the distribution may be taxable to the shareholders of the distributing corporation as described below.

Section 305(b)(2) is an exception to the general rule of Section 305(a) that applies to a "disproportionate distribution." Pursuant to Section 305(b)(2), a distribution (or a series of distributions of which such a distribution is one) of stock rights constitutes a "disproportionate distribution," and is therefore taxable, if the distribution results in (a) the receipt of property, including cash, by some shareholders, and (b) an increase in the proportionate interest of other shareholders in the assets or earnings and profits of the distributing corporation. For this purpose, the term "property" means money, securities, and any other property, except that such term does not include stock in the corporation making the distribution or rights to acquire such stock. A "series of distributions" encompasses all distributions of stock made or deemed made by a corporation which have the result of receipt of cash or property by some shareholders and an increase in the proportionate interests of other shareholders. It is not necessary for a distribution of stock to be considered as one of a series of distributions that such distribution be pursuant to a plan to distribute cash and property to some shareholders and to increase the proportionate interests of the other shareholders. Rather, it is sufficient if there is a distribution (or a deemed distribution) having such effect. In addition, there is no requirement that both elements of Section 305(b)(2) of the Code occur in the form of a distribution or series of distributions as long as the result is that some shareholders receive cash and property and other shareholders' proportionate interests increase. Under the applicable Treasury Regulations, where the receipt of cash or property occurs more than 36 months following a distribution or series of distributions of stock, or where a distribution is made more than 36 months following the receipt of cash or property, such distribution or distributions will be presumed not to result in the receipt of cash or property by some shareholders and an increase in the proportionate interest of other shareholders, unless the receipt of cash or property by some shareholders and the distribution or series of distributions are made pursuant to a plan.

We believe that the distribution of subscription rights in the rights offering does not constitute an increase in the proportionate interest of some shareholders in the assets or earnings and profits of the Company for the purpose of Section 305(b)(2) because all of our stockholders will receive subscription rights in the rights offering based upon their respective ownership of our common stock. Accordingly, we do not believe that the rights offering should constitute part of a "disproportionate distribution," pursuant to Section 305(b)(2) of the Code. However, there can be no assurances that our application of Section 305 to the rights offerings is accurate. In the event the IRS successfully asserts that your receipt of subscription rights is currently taxable pursuant to Section 305(b) of the Code, the discussion under the heading "Alternative Treatment of Subscription Rights" describes the tax consequences that will result from such a determination.

Receipt of Subscription Rights

You should not recognize any gain or other income upon receipt of a subscription right in the rights offering. However, there can be no assurance of this result. Your tax basis in each subscription right for United States federal income tax purposes will depend on the fair market value of the subscription rights you receive and the fair market value of your existing shares of stock on the date you receive the subscription rights. The tax basis of the subscription rights received by you will be zero unless either (i) the fair market value of the subscription rights on the date of issuance is 15% or more of the fair market value of the common stock with respect to which they are received, or (ii) you properly elect, in your federal income tax return for the taxable year in which the subscription rights are received, to allocate part of your basis in your common stock to the subscription rights. If either (i) or (ii) is true, then if you exercise the subscription rights, your basis in the common stock will be allocated between the common stock and the subscription rights in proportion to their respective fair market values on the date the subscription rights are distributed.

Your holding period for subscription rights will include your holding period for the shares of common stock upon which the subscription right is issued.

Expiration of Subscription Right.

If you allow your subscription rights to expire unexercised, you should not recognize any gain or loss. If you have tax basis in the subscription rights, the tax basis of the shares owned by you with respect to which such subscription rights were distributed will be restored to the tax basis of such shares immediately prior to the receipt of the subscription rights.

Exercise of Subscription Rights

You should not recognize a gain or loss on the exercise of a subscription right. Rev. Rul. 72-71, 1972-1 C.B. 99. The tax basis of the convertible notes acquired through exercise of your subscription rights will be equal to the sum of your tax basis in the subscription right exercised (which should be zero) and the subscription price of $100.00 per convertible note.

The holding period of the convertible notes purchased through the rights offering will begin on the date that you exercise your subscription rights. I.R.C. §1223(6); Rev. Rul. 72-71. Interest on the convertible note will be taxed as ordinary income to the noteholder. The timing of the interest inclusion will depend on the noteholder's method of accounting. The receipt of common stock that is attributable to accrued and unpaid interest on the convertible notes not yet included in income by a U.S. noteholder will be taxed as ordinary income.

Sale, Exchange or Redemption of Convertible Notes

A noteholder will recognize gain or loss upon the sale or exchange (other than redemption) of the convertible note in an amount equal to the difference between the amount of cash received (except to the extent that cash received is attributable to interest which has not been included in income) and the noteholder's adjusted basis in the convertible note. The gain or loss will be long-term capital gain or loss if the noteholder's holding period exceeds one year.

If the convertible notes are redeemed by the Company, the taxation of such redemption may depend upon whether the convertible notes are considered debt or equity in the Company. If treated as debt, the redemption would be subject to the same sale or exchange treatment discussed above. If treated as equity, then the redemption will be treated as a distribution subject to Section 301 of the Code unless the redemption qualifies under Section 302(b) of the Code as (1) a "complete termination" of the shareholder's interest in the Company, (2) "substantially disproportionate," or (3) "not essentially equivalent to a dividend." In determining whether any of these tests has been met, certain constructive ownership rules set forth in Section 318 of the Code must generally be taken into account pursuant to Section 302(c). If any of these three tests is met, the Company's redemption of the convertible notes for cash will be treated, as to that shareholder, as an exchange under Section 302(a) of the Code giving rise to gain or loss to the extent of the difference between the redemption proceeds and the shareholder's adjusted basis in the redeemed convertible notes (except to the extent that cash received is attributable to interest which has not been included in income). If none of these tests are met, and the amounts received in redemption of the convertible notes are treated as distributions under Section 301 of the Code, then the shareholder's basis in the convertible notes so redeemed will be transferred to the shareholder's remaining holdings in the Company. Treas. Reg. §1.302-2(c).

The fact that the subscription rights are treated like "stock" under Section 305 and that the convertible notes will be held (if the subscription rights are exercised) in the same proportion as the common stock of the Company might seem to suggest that the convertible notes will be considered stock in the Company. However, in the absence of authority treating convertible notes as stock, and in light of the debt characteristics of the convertible notes in this case, we believe that the convertible notes should be respected as debt upon redemption and subject to the general sale or exchange rules outlined above.

The conversion of the convertible notes into our common stock should qualify as a reorganization under Section 368(a)(1)(E) of the Code. Under Section 354(a) of the Code, the surrender of securities in exchange for stock pursuant to a reorganization is tax-free. Treas. Reg. §1.354-1(a). Even if the conversion does not qualify as a Section 368(a)(1)(E) reorganization, the Service has held that the surrender of corporate bonds for stock is not a taxable event. Rev. Rul. 72-265, 1972-1 C.B. 222. Thus, the receipt of common stock in conversion of the convertible notes should not have any tax consequence, except for common stock attributed to accrued but unpaid interest.

To the extent that the common stock received upon conversion is attributed to accrued but unpaid interest on the convertible notes, such common stock will be treated as interest income under Section 354(a)(2)(B). This treatment should only concern shareholders on the cash method of accounting, since shareholders on the accrual method of accounting would have previously included such interest into income.

Cash dividends paid on the common stock will be taxable as ordinary income to the extent of our earnings and profits, if any. To the extent that the dividends paid on the common stock exceed the Company's earnings and profits, the distributions will be taxed: first, as the tax-free return of the shareholder's adjusted basis in the common stock; and second, as gain from the sale or exchange of the common stock. Section 301(c).

A shareholder's basis in the common stock received in conversion of the convertible notes will be the same as the shareholder's basis in the convertible notes, increased by the value of any common stock received for accrued but unpaid interest on the convertible notes. Section 358(a); Rev. Rul. 72-71. The holding period of the common stock received in conversion of the convertible notes should include the holding period of the convertible notes. Section 1223(1). The basis in any shares of common stock attributable to accrued and unpaid interest will equal the fair market value of such shares when received.

Gain or loss on the sale or exchange (other than by redemption) of the common stock received in conversion of the convertible notes will be recognized by the shareholder to the extent of the difference between the amount received and the shareholder's adjusted basis in the common stock. There are several non-recognition provisions in the Code, which might defer the recognition of this gain or loss to the shareholder.

Non-U.S. Holders

Although the U.S. normally imposes a 30% withholding tax on U.S. source interest income of non-U.S. persons under I.R.C. §§871(a), 881(a), the U.S. does not tax portfolio interest received by non-resident individuals and corporations per I.R.C. §§871(h), 881(c). "Portfolio interest" means any interest which, but for the portfolio interest exception, would be subject to withholding tax under the Code paid in respect of an obligation in registered form and in respect of which the issuer has received a Form W-8BEN or other required statement as to qualification.

As with interest, the U.S. generally imposes a 30% withholding tax on payments of dividends, subject to reduction by an applicable treaty. A non-U.S. person must demonstrate its eligibility for a reduced rate of withholding under an applicable income tax treaty by timely delivering a properly executed IRS Form W-8BEN or appropriate substitute form.

Generally, non-U.S. holders will not be subject to U.S. federal income or withholding tax on any gain realized on the sale, exchange, redemption, conversion, or other disposition of bonds or common stock, other than with respect to payments of interest or dividends. The exemption from U.S. taxation does not apply to (1) gain effectively connected to a U.S. trade of business, (2) the 183 days or more presence test by the non-U.S. holder, or (3) the rules under Foreign Investment in Real Property Tax Act.

Provisions referred to as "FATCA" may impose withholding tax on certain types of payments made to "foreign financial institutions" and certain other non-U.S. entities. The legislation imposes a 30% withholding tax on dividends on, or gross proceeds from the sale or other disposition of, common stock paid to a foreign financial institution or to a foreign non-financial entity, unless (1) the foreign financial institution undertakes certain diligence and reporting obligations or (2) the foreign non-financial entity either certifies it does not have any substantial U.S. owners or furnishes identifying information regarding each substantial U.S. owner and such entity meets certain other specified requirements. If the payee is a foreign financial institution, it must enter into an agreement with the U.S. Treasury. Any obligation to withhold from payments made to a foreign financial institution or a foreign non-financial entity with respect to dividends began January 1, 2014, and with respect to the gross proceeds of a sale or other disposition of common stock will begin January 1, 2017. Prospective investors should consult their tax advisors.

Alternative Treatment of Subscription Rights

In the unlikely event that the IRS were to successfully assert that the distribution of subscription rights resulted in a "disproportionate distribution" or is otherwise taxable pursuant to Section 305(b), each holder would be considered to have received a distribution with respect to such holder's stock in an amount equal to the fair market value of the subscription rights received by such holder on the date of the distribution. This distribution generally would be taxed as dividend income to the extent of the shareholder's ratable share of our current and accumulated earnings and profits. The amount of any distribution in excess of our earnings and profits would be applied to reduce, but not below zero, the tax basis in your stock, and any excess generally would be taxable to you as capital gain (long-term, if your holding period with respect to your common stock is more than one year as of the date of distribution, and otherwise short-term). Under current law, so long as certain holding period requirements are satisfied, the maximum federal income tax rate on most dividends received by individuals is generally 15% or 20%. Your tax basis in the subscription rights received pursuant to the rights offering would be equal to their fair market value on the date of distribution and the holding period for the rights would begin upon receipt.

Assuming the receipt of subscription rights in the rights offering is a taxable event, if your subscription rights lapse without being exercised, you will recognize a capital loss equal to your tax basis in such expired subscription rights. The deductibility of capital losses is subject to limitations.

PLAN OF DISTRIBUTION

We are offering the convertible notes underlying the subscription rights directly to you. We have not employed any brokers, dealers or underwriters in connection with the solicitation of exercise of subscription rights in this offering and no commissions, fees or discounts will be paid in connection with this offering. Securities Transfer Corporation is acting as our subscription agent to effect the exercise of the rights and the issuance of the underlying convertible notes. Therefore, we anticipate that the role of our officers and employees in this offering will be limited to:

- Responding to inquiries of potential purchasers, provided the response is limited to information contained in the registration statement of which this prospectus is a part; and

- Ministerial and clerical work involved in effecting transactions pertaining to the issuance of the convertible notes underlying the rights.

We intend to distribute and deliver this prospectus by hand or by mail only, and not by electronic delivery. Also, we intend to use printed prospectuses only, and not any other forms of prospectus.

We are distributing to the holders of record of our common stock on December 21, 2016, at no charge, non-transferable subscription rights to purchase our 4% Convertible Senior Notes due 2022, par value of $100 each. We are distributing 0.2817% of a right for each share of common stock owned on the record date (i.e., one right for each 355 shares). Each whole right entitles the holder to purchase one convertible note at the par value of $100. You may exercise any number of your subscription rights, or you may choose not to exercise any subscription rights. We will not distribute any fractional subscription rights or pay cash in lieu of fractional rights, but will round the aggregate number of rights you are entitled to receive to the nearest whole number.

We do not expect that all of our shareholders will exercise all of their basic subscription privileges. By extending over-subscription privileges to our shareholders, we are providing shareholders that exercise all of their basic subscription privileges the opportunity to purchase the convertible notes that are not purchased by other shareholders.

If you wish to exercise your over-subscription privilege, you should indicate the amount of additional convertible notes that you would like to purchase in the space provided on your rights certificate. When you send in your rights certificate, you must also send the full purchase price for the additional convertible notes that you have requested to purchase (in addition to the payment due for convertible notes purchased through your basic subscription privilege). If the amount of convertible notes remaining after the exercise of all basic subscription rights is not sufficient to satisfy all requests for convertible notes pursuant to over-subscription rights, then the available convertible notes will be allocated proportionally (subject to eliminating fractional notes) among those who properly exercised over-subscription rights based on the amount of convertible notes each rights holder subscribed for under the basic subscription right. However, if your pro-rata allocation exceeds the over-subscription amount specified in your rights certificate, then you will receive only the amount of convertible notes that you requested, and the remaining convertible notes from your proportionate allocation will be divided among other rights holders exercising their over-subscription rights.

As soon as practicable after the expiration date, Securities Transfer Corporation, acting as our subscription agent, will determine the amount of shares of convertible notes that you may purchase pursuant to the over- subscription privilege. Promptly after the expiration date and after all allocations and adjustments have been effected, the convertible notes will be issued in book-entry form and will be represented by permanent global certificates deposited with The Depository Trust Company, or DTC, and registered in the name of a nominee of DTC. If you request and pay for more convertible notes than are allocated to you, we will refund the overpayment, without interest. In connection with the exercise of the over-subscription privilege, banks, brokers and other nominee holders of subscription rights who act on behalf of beneficial owners will be required to certify to us and to the subscription agent as to the aggregate number of subscription rights that have been exercised, and the amount of convertible notes that are being requested through the over-subscription privilege, by each beneficial owner on whose behalf the nominee holder is acting.

We will pay Securities Transfer Corporation, the subscription and escrow agent, a fee of approximately $16,000 plus expenses, for its services in connection with this offering. We also have agreed to indemnify the subscription and escrow agent under certain circumstances from any liability it may incur in connection with this offering.

The convertible notes are not currently traded on any market. An application has been filed for "DTC eligibility" for over-the-counter trading of the convertible notes. We expect that shares of our common stock into which notes are convertible will be traded on the Nasdaq Capital Market under the symbol "RAVE," the same symbol under which our currently outstanding shares of common stock now trade.

LEGAL MATTERS

The validity of the securities offered hereby will be passed upon for us by McGuire, Craddock & Strother, P.C., Dallas, Texas.

EXPERTS

Our consolidated financial statements at June 26, 2016 and June 28, 2015, and for each of the fiscal years then ended, appearing in our Annual Report on Form 10-K for the year ended June 26, 2016, have been audited by Montgomery Coscia Greilich LLP, independent registered public accounting firm, as set forth in their report thereon included therein. Such financial statements have been incorporated in this prospectus by reference to our Annual Report on Form 10-K for the year ended June 26, 2016, in reliance on the authority of said firm as experts in auditing and accounting.

WHERE YOU CAN FIND MORE INFORMATION

This prospectus is part of a registration statement on Form S-3 filed by us with the SEC relating to the securities offered under this prospectus. As permitted by SEC rules, this prospectus does not contain all of the information contained in the registration statement and accompanying exhibits and schedules filed by us with the SEC. The registration statement, exhibits and schedules provide additional information about us and our securities. The registration statement, exhibits and schedules are available at the SEC's public reference rooms or the SEC website at www.sec.gov.

We file annual, quarterly and current reports, proxy statements and other information with the SEC. These documents are available for inspection and copying by the public at the Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Our filings are also available to the public on the internet through the SEC website at www.sec.gov. You may also find our SEC filings and other relevant information about us on our website at www.raverg.com. However, the information on our website is not a part of this prospectus or any prospectus supplement.

INFORMATION INCORPORATED BY REFERENCE

The SEC allows us to "incorporate by reference" into this prospectus the information we file with the SEC. This permits us to disclose important information to you by referencing these filed documents. Any information referenced in this way is considered part of this prospectus and any prospectus supplement. Any information filed with the SEC after the date of the initial registration statement and prior to effectiveness of the registration statement, or after the date on the cover of this prospectus or any prospectus supplement, will automatically be deemed to update and supersede this prospectus and any such prospectus supplement. We incorporate by reference the documents listed below and any future filings made by us with the SEC with file number 0-12919 under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, until all of the securities described in this prospectus are sold:

- Our Annual Report on Form 10-K for the fiscal year ended June 26, 2016;
- Our definitive proxy statement filed on October 4, 2016;
- Our Quarterly Report on Form 10-Q for the fiscal quarter ended September 25, 2016;
- Our Current Reports on Form 8-K filed on November 17 and December 22, 2016; and
- The description of our common stock contained in our registration statement on Form S-1 (File No. 33-38729) filed with the SEC on January 23, 1991, including all amendments and reports filed for purposes of updating such description.

You can request a copy of any document incorporated by reference in this prospectus, at no cost, by writing or telephoning us at the following:

Rave Restaurant Group, Inc.
3551 Plano Parkway
The Colony, Texas 75056
Attention: Chief Financial Officer
Telephone: (469) 384-5000

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution.

The following table sets forth the expenses expected to be incurred by registrant in connection with this registration statement. All items below are estimates, other than the registration fees payable to the Securities and Exchange Commission ("SEC").

SEC registration fee	$	350
Printing and mailing expenses	$	7,000
Accounting fees and expenses	$	1,000
Legal fees and expenses	$	75,000
Subscription agent fees and expenses	$	18,000
Miscellaneous	$	3,650
Total	$	105,000

Item 15. Indemnification of Directors and Officers.

Section 351.355(1) of the Missouri General and Business Corporation Law ("MGBCL") provides that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, other than an action by or in the right of the corporation, by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorney's fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

Section 351.355(2) of MGBCL provides that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses, including attorneys' fees, and amounts paid in settlement actually and reasonably incurred by him in connection with the defense or settlement of the action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, except that no person shall be indemnified as to any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the corporation unless and only to the extent that the court in which the action or suit was brought determines upon application that, despite the adjudication of liability and in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses that the court deems proper.

Section 351.355(3) of MGBCL provides that, except as otherwise provided in the corporation's articles of incorporation or bylaws, to the extent that a director, officer, employee or agent of the corporation has been successful on the merits or otherwise in defense of any such action, suit or proceeding referred to in subsection (1) or (2) of Section 351.355 of MGBCL, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses, including attorney's fees, actually and reasonably incurred by him in connection with such action, suit or proceeding.

Section 351.355(5) of MGBCL provides that expenses incurred in defending any civil, criminal, administrative, or investigative action, suit or proceeding may be paid by the corporation in advance of the final disposition of the action, suit, or proceeding as authorized by the board of directors in the specific case upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the corporation.

Section 351.355(7) of the MGBCL provides that a corporation may provide additional indemnification to any person indemnifiable under subsection (1) or (2) of Section 351.355 of the MGBCL, provided such additional indemnification is either (i) authorized, directed or provided for in the corporation's articles of incorporation or an amendment thereof, or (ii) is authorized, directed or provided for in any bylaw or agreement of the corporation which has been adopted by a vote of the shareholders of the corporation, and provided further that no person shall thereby be indemnified against conduct that was finally adjudged to have been knowingly fraudulent, deliberately dishonest or willful misconduct.

Article XI of registrant's Articles of Incorporation and Article XI of registrant's Bylaws require that registrant indemnify the persons specified in subsection (1) or (2) of Section 351.355 of MGBCL to the full extent permitted thereby. Article XI of registrant's Articles of Incorporation also permits the registrant to enter into agreements with any of its directors or officers, or any person serving at its request as a director or officer of another corporation, providing such indemnification as deemed appropriate to the extent permitted by law.

Item 16. Exhibits.

Exhibit #	Description
3.1	Amended and Restated Articles of Incorporation of Rave Restaurant Group, Inc. (filed as Exhibit 3.1 to Form 8-K filed January 8, 2015 and incorporated herein by reference).
3.2	Amended and Restated Bylaws of Rave Restaurant Group, Inc. (filed as Exhibit 3.2 to Form 8-K filed January 8, 2015 and incorporated herein by reference).
4.1*	Form of Indenture for 4% Convertible Senior Notes due 2022.
4.2*	Form of Pledge Agreement.
5.1*	Opinion of McGuire, Craddock & Strother, P.C.
23.1+	Consent of Montgomery Coscia Greilich LLP.
23.2+	Consent of McGuire, Craddock & Strother, P.C.
24.1+	Power of Attorney.
99.1+	Form of Instructions as to Use of Rights Certificates.
99.2+	Form of Notice of Guaranteed Delivery for Rights Certificate.
99.3+	Form of Letter to Security Holders Who Are Record Holders.
99.4+	Form of Letter to Securities Dealers, Commercial Banks, Trust Companies and Other Nominees.
99.5+	Form of Letter to Clients of Security Holders Who Are Beneficial Holders.
99.6+	Form of Nominee Holder Certification Form.
99.7+	Substitute Form W-9 for Use with the Rights Offering.
99.8+	Form of Beneficial Owner Election Form.
99.9+	Form of Rights Certificate
99.10+	Subscription, Escrow and Information Agent Agreement dated December 22, 2016, between Rave Restaurant Group, Inc. and Securities Transfer Corporation.

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* Filed herewith.

\+ Previously filed.

Item 17. Undertakings.

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

(iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

Provided, however, that paragraphs 1(i), 1(ii) and 1(iii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser:

(i) Each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

(ii) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5), or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii), or (x) for the purpose of providing the information required by section 10(a) of the Securities Act of 1933 shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date.

(5) That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities, the undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

(6) That, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in this registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(7) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(8) That, for purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(9) That, for purposes of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of The Colony, State of Texas, on the 6th day of January, 2017.

RAVE RESTAURANT GROUP, INC.
By: /s/ CLINTON J. COLEMAN
Clinton J. Coleman, Interim President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated:

Signature	Title	Date
/s/ MARK E. SCHWARZ Mark E. Schwarz	Chairman and Director	January 6, 2017
/s/ CLINTON J. COLEMAN Clinton J. Coleman	Interim President & Chief Executive Officer (principal executive officer) and Director	January 6, 2017
/s/ TIMOTHY E. MULLANY Timothy E. Mullany	Chief Financial Officer (principal financial and accounting officer)	January 6, 2017
/s/ WILLIAM C. HAMMETT, JR. William C. Hammett, Jr.	Director	January 6, 2017
/s/ STEVEN M. JOHNSON Steven M. Johnson	Director	January 6, 2017
/s/ ROBERT B. PAGE Robert B. Page	Director	January 6, 2017
/s/ RAMON D. PHILLIPS Ramon D. Phillips	Director	January 6, 2017

* By: /s/ CLINTON J. COLEMAN
Clinton J. Coleman, Attorney-in-Fact

Exhibit 4.1

RAVE RESTAURANT GROUP, INC.,

as Issuer,

AND

SECURITIES TRANSFER CORPORATION

as Trustee

INDENTURE

DATED AS OF

_____, 2017

$3,000,000

4% CONVERTIBLE SENIOR NOTES DUE 2022

TABLE OF CONTENTS

INDENTURE, dated as of _____, 2017 between RAVE RESTAURANT GROUP, INC., a Missouri corporation (the "Company"), and SECURITIES TRANSFER CORPORATION, a Texas corporation, as Trustee.

RECITALS

WHEREAS, the Company has duly authorized the execution and delivery of this Indenture to provide for the issuance of the Company's 4% Convertible Senior Notes due 2022 (the "Notes"); and

WHEREAS, all things necessary to make this Indenture a legal, valid and binding agreement of the Company, in accordance with its terms, have been done;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

For and in consideration of the premises, and of the purchase and acceptance of the Notes by the holders thereof, it is mutually agreed, for the benefit of the respective Holders from time to time of the Notes, as follows:

ARTICLE ONE

DEFINITIONS AND INCORPORATION BY REFERENCE

SECTION 1.01 Definitions.

"Additional Shares" has the meaning specified in Section 5.05(a).

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person directly or indirectly, whether through the ownership of Voting Stock, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Agent" means any Registrar, Paying Agent or Conversion Agent.

"Board of Directors" means, with respect to any Person, the Board of Directors or other governing body of such Person or any committee thereof duly authorized to act on behalf of such Board of Directors or such other governing body.

"Board Resolution" means, with respect to any Person, a copy of a resolution certified by the Secretary or an Assistant Secretary of such Person to have been duly adopted by the Board of Directors of such Person and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"Business Day" means any day which is not a Legal Holiday.

"Capital Stock" means, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated) of corporate stock, partnership or limited liability company interests or other equity securities (including, without limitation, beneficial interests in or other securities of a trust) and any and all warrants, options and rights with respect thereto (whether or not currently exercisable), including each class of common stock and preferred stock of such Person.

"close of business" means 5:00 p.m. (Dallas, Texas time).

"Common Stock" means the shares of common stock, par value $0.01 per share, of the Company as such shares of common stock exist on the date of this Indenture, or such other Capital Stock into which the Company's common stock may be reclassified, converted or otherwise changed pursuant to Section 5.06.

"Company" means the party named as such above, until a successor replaces such Person in accordance with the terms of this Indenture, and thereafter means such successor.

"Company Request" or "Company Order" means a written request or order signed in the name of the Company by two Officers of the Company, or by one Officer of the Company and either an Assistant Treasurer or an Assistant Secretary of the Company, and delivered to the Trustee.

"Conversion Agent" means the Trustee or such other office or agency designated by the Company where Notes may be presented for conversion. The Conversion Agent shall initially be the Trustee.

"Conversion Date" means February 15, May 15, August 15 and November 15 of each year or, if such date is a Legal Holiday, the next immediate Business Day.

"Conversion Notice" has the meaning specified in Section 5.02(b)(i).

"Conversion Price" means $2.00 per share of Common Stock, subject to adjustment as described herein.

"Conversion Rate" means the number of shares of Common Stock per $100 principal amount of Note into which the Note is convertible, which is equal to $100 divided by the Conversion Price with any fractional share rounded up to the next whole share.

"Corporate Trust Office" means the principal office of the Trustee at which at any time its corporate trust business shall be administered, which office at the date hereof is located at 2591 Dallas Parkway, Suite 102, Frisco, Texas 75074, Attention: Corporate Trust Administration, or such other address as the Trustee may designate from time to time by notice to the Company, or the principal corporate trust office of any successor Trustee (or such other address as such successor Trustee may designate from time to time by notice to the Holders of Notes and the Company).

"Custodian" has the meaning specified in Section 8.01.

"Default" means any event which is, or after notice or passage of time would be, an Event of Default.

"Definitive Notes" means certificated Notes registered in the name of the Holder thereof.

"Depositary" means, unless otherwise specified by the Company pursuant to either Section 2.08 or 2.12, The Depository Trust Company, New York, New York, or any successor Depositary registered as a clearing agency under the Exchange Act or other applicable statute or regulations.

"Effective Date" has the meaning specified in Section 4.01(b).

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Ex-Dividend Date" means, in respect of any issuance, dividend or distribution, the first date on which the shares of Common Stock trade on the applicable exchange or in the applicable market, regular way, without the right to receive such issuance, dividend or distribution from the Company, whether directly or indirectly by due bills or otherwise.

"Event of Default" has the meaning specified in Section 8.01.

"Fundamental Change" means the occurrence of any of the following at any time after the Notes are originally issued:

(1) any "person" or "group" (within the meaning of Section 13(d) of the Exchange Act) other than the Company or its Subsidiaries or Newcastle Partners, L.P. or its Affiliates, files a Schedule 13D, Schedule 13G, Schedule TO or any other schedule, form or report under the Exchange Act disclosing that such person or group has become the direct or indirect ultimate "beneficial owner," as defined in Rule 13d-3 under the Exchange Act, of the Company's Common Stock representing more than 50% of the voting power of the Company's Common Stock;

(2) consummation of any binding share exchange, exchange offer, tender offer, consolidation or merger of the Company pursuant to which all or substantially all of the Common Stock will be converted into cash, securities or other property or any sale, lease or other transfer in one transaction or a series of related transactions of all or substantially all of the consolidated assets of the Company and its Subsidiaries, taken as a whole, to any Person other than the Company or one or more of its Subsidiaries (any such exchange, offer, consolidation, merger, transaction or series of transactions being referred to in this definition as an "event"); provided, however, that any such event where the holders of more than 50% of the outstanding shares of Common Stock immediately prior to such event, own, directly or indirectly, more than 50% of all classes of the common equity of the continuing or surviving person or transferee or the parent thereof immediately after such event, with such holders' proportional voting power immediately after such event being in substantially the same proportions as their respective voting power before such event, shall not be a Fundamental Change;

(3) the stockholders of the Company approve any plan or proposal for the liquidation or dissolution of the Company; or

(4) the Common Stock ceases to be listed on at least one U. S. national securities exchange,

Provided, however, in the case of an event described in clause (2) above, if (a) at least 50% of the consideration, excluding cash payments for fractional shares and cash payments made in respect of dissenters' appraisal rights, in the transaction or event that would otherwise have constituted a Fundamental Change consists of shares of Publicly Traded Securities, and (b) as a result of the event, the Notes become convertible into such Publicly Traded Securities, excluding cash payments for fractional shares (subject to the provisions of Section 4.03), such event shall not be a Fundamental Change; provided, further, if any transaction in which the Common Stock is replaced by the securities of another entity shall occur, following completion of any related Make-Whole Fundamental Change period and any related Fundamental Change Purchase Date, references to the Company in this definition shall instead apply to such other entity; and provided, further, that any filing that would otherwise constitute a Fundamental Change under clause (1) above shall not constitute a Fundamental Change if (x) the filing occurs in connection with a transaction in which the Common Stock is replaced by the securities of another entity (including a parent entity) and (y) no filing of Schedule TO (or any schedule, form or report) is made or is in effect with respect to common equity representing more than 50% of the voting power of such other entity.

"Fundamental Change Company Notice" has the meaning specified in Section 4.01(b).

"Fundamental Change Purchase Date" has the meaning specified in Section 4.01(a).

"Fundamental Change Purchase Notice" has the meaning specified in Section 4.01(a)(1).

"Fundamental Change Purchase Price" has the meaning specified in Section 4.01(a).

"GAAP" means generally accepted accounting principles as in effect in the United States of America from time to time.

"Global Note" means a Note in global form that evidences all or part of the Notes registered in the name of the Depositary or a nominee thereof.

"Holder" means the Person in whose name a Note is registered in the Register.

"Indenture" means this Indenture, as amended or supplemented from time to time in accordance with the terms hereof.

"Interest Payment Date" means, with respect to the payment of interest on the Notes, February 15 of each year or, if such date is a Legal Holiday, the next immediate Business Day, commencing February 15, 2018.

"Issue Date" means the date of original issuance of the Notes.

"Last Reported Sale Price" of the Common Stock on any date means the closing sale price per share of Common Stock (or if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average ask prices) on that date as reported in composite transactions for the principal U.S. securities exchange on which the Common Stock is listed for trading. The Last Reported Sale Price shall be determined without reference to after-hours or extended market trading. If the Common Stock is not listed for trading on a U.S. securities exchange on the relevant date, the "Last Reported Sale Price" shall be the last quoted bid price for the Common Stock in the over-the-counter market on the relevant date as reported by OTC Markets Group, Inc. or a similar organization. If the Common Stock is not so quoted, the "Last Reported Sale Price" will be determined by a U.S. nationally recognized independent investment banking firms selected by the Company for this purpose.

"Legal Holiday" means a Saturday, a Sunday or a day on which banking institutions in Dallas, Texas or other place for payment are authorized by law, regulation or executive order to remain closed. If a payment date is a Legal Holiday, payment may be made on the next succeeding day that is not a Legal Holiday, and no interest shall accrue on such payment for the intervening period.

"Make-Whole Fundamental Change" means any transaction or event that constitutes a Fundamental Change under clause (1) or (2) of the definition of Fundamental Change (in the case of any Fundamental Change described in clause (2) of the definition thereof, determined without regard to the proviso in such definition, but subject to the clauses (a) and (b) immediately following clause (4) of the definition thereof).

"Market Disruption Event" means (i) a failure by the primary exchange or quotation system on which the Common Stock trades or is quoted to open for trading during its regular trading session on any Trading Day or (ii) the occurrence or existence, prior to 1:00 p.m., New York City time, on any Trading Day for the Common Stock, for more than a one half-hour period in the aggregate, of any suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the stock exchange or otherwise) in the Common Stock or in any options, contracts or future contracts relating to the Common Stock.

"Maturity" means the date on which the principal of the Notes becomes due and payable as therein or herein provided, whether at the Maturity Date or by declaration of acceleration, call for redemption or otherwise.

"Maturity Date" means February 15, 2022.

"Merger Event" has the meaning specified in Section 5.06(a).

"Note" or "Notes" means the 4% Convertible Senior Notes due 2022 issued hereunder.

"Officer" means, with respect to any Person, the Chief Executive Officer, the President, any Vice President, the Chief Financial Officer, the Secretary or the Treasurer of such Person.

"Officers' Certificate" means, with respect to any Person, a certificate signed by two Officers or by an Officer and either an Assistant Secretary or Assistant Treasurer of such Person. One of the Officers signing an Officers' Certificate given pursuant to Section 6.03(a) shall be the principal executive, financial or accounting officer of the Person delivering such certificate.

"Open of Business" means 9:00 a.m. (Dallas, Texas time).

"Opinion of Counsel" means a written opinion from legal counsel. The counsel may be an employee of or counsel to the Company.

"Paying Agent" shall initially be the Trustee, and shall be the Person authorized by the Company to pay the principal amount of, interest on, or Fundamental Change Purchase Price of, any Notes on behalf of the Company.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, trust, estate, association, unincorporated organization or government or any agency or political subdivision thereof.

"Place of Payment" means, when used with respect to the Notes, the office or agency of the Company in The Colony, Texas, and such other place or places where, subject to the provisions of Section 6.04, the principal of, and any interest on, the Notes are payable.

"Principal Repayment Date" means the trading day immediately prior to the 30 day period preceding the Maturity Date.

"Principal Trading Market" means the principal trading exchange or market for the securities of the Company at such time.

"Prospectus" means the prospectus dated **[_____]**, 2017.

"Publicly Traded Securities" means, in respect of a transaction described in clause (3) of the definition of Fundamental Change, shares of common stock traded on a U.S. national securities exchange, or which shall be so traded immediately following the transaction or transactions in connection with which this definition is applied.

"Regular Record Date" means, with respect to the payment of interest on the Notes, 10 Business Days prior to the Interest Payment Date or, if applicable, the Conversion Date.

"Reference Property" has the meaning specified in Section 5.06(a).

"Scheduled Trading Day" means a day that is scheduled to be a Trading Day. If the Common Stock is not listed or admitted for trading, "Scheduled Trading Day" means a Business Day.

"SEC" means the Securities and Exchange Commission or, if at any time after the execution of this Indenture, the SEC is not existing and performing the duties now assigned to it, then the body performing such duties at such time.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Settlement Amount" has the meaning specified in Section 5.03(a).

"Significant Subsidiary" means, at any date of determination, any Subsidiary that would constitute a "significant subsidiary" within the meaning of Article 1 of Regulation S-X promulgated under the Securities Act as in effect on the date of this Indenture.

"Stock Price" has the meaning specified in Section 5.05(b).

"Subsidiary" means any direct or indirect subsidiary of the Company. A "subsidiary" of any Person means (i) a corporation a majority of whose Voting Stock is at the time, directly or indirectly, owned by such Person, by one or more subsidiaries of such Person or by such Person and one or more subsidiaries of such Person, (ii) a partnership in which such Person or a subsidiary of such Person is, at the date of determination, a general partner or a limited partner entitled to receive more than 50 percent of the assets of such partnership upon its dissolution, or (iii) any other Person (other than a corporation or partnership) in which such Person, directly or indirectly, at the date of determination thereof, has (x) at least a majority ownership interest or (y) the power to elect or direct the election of a majority of the Board of Directors of such Person.

"Successor" has the meaning specified in Section 7.01.

"Trading Day" means a day on which (i) trading in the Common Stock generally occurs on the primary exchange or quotation system on which the Common Stock then trades or is quoted, and (ii) there is no Market Disruption Event. If the Common Stock (or other security for which a Last Reported Sale Price must be determined) is not listed or traded, "Trading Day" means a Business Day.

"Trust Officer" means any officer within the corporate trust department of the Trustee, including any vice president, senior associate or associate, trust officer or any other officer of the Trustee who customarily performs functions similar to those performed by Persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such person's knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of this Indenture.

"Trustee" means the party named as such above until a successor replaces it in accordance with the applicable provisions of this Indenture and thereafter means the successor.

"U.S." means the United States of America.

"U.S. Government Securities" means securities that are (i) direct obligations of the United States of America for the payment of which its full faith and credit is pledged, or (ii) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in either case under clauses (i) or (ii) are not callable or redeemable at the option of the issuer thereof.

"U.S. Legal Tender" means such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

"Voting Stock" means, with respect to any Person, securities of any class or classes of Capital Stock in such Person entitling the holders thereof to vote in the election of members of the Board of Directors of such Person.

SECTION 1.02 Rules of Construction.

Unless the context otherwise requires:

(1) a term has the meaning assigned to it;
(2) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;
(3) "or" is not exclusive;
(4) words in the singular include the plural, and words in the plural include the singular;
(5) any gender used in this Indenture shall be deemed to include the neuter, masculine or feminine genders;
(6) provisions apply to successive events and transactions; and
(7) "herein," "hereof" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

ARTICLE TWO

THE NOTES

SECTION 2.01 Title and Terms; Payments.

There is hereby established the "4% Senior Convertible Notes due 2022" in an initial aggregate principal amount of $3,000,000. The Notes shall be issued in minimum denominations of $100 and integral multiples of $100 in excess thereof. No conversion or repurchase shall be permitted if it would result in the issuance of a Note with a minimum denomination of less than $100. The Notes shall be issuable only in registered form without coupons.

The principal amount of Notes then outstanding shall be payable on the Maturity Date. The Notes shall bear interest at a rate of 4% per annum. Interest shall accrue from the initial issuance date of the Notes, and shall be payable annually in arrears on each Interest Payment Date, beginning February 15, 2018.

The Company shall pay the principal of and interest on any Global Note in immediately available funds to the Depositary or its nominee, as the case may be, as the registered Holder of such Global Note. However, the Company has the sole discretion to repay the principal and any interest payments on any Global Note in cash or by payment-in-kind of the Company's common stock. The Company shall pay the principal of any Definitive Notes at the office or agency designated by the Company for that purpose. The Company has initially designated the Trustee as its Paying Agent and Registrar in respect of the Notes and its agency in Frisco, Texas as a place where Notes may be presented for payment or for registration of transfer. The Company may, however, change the Paying Agent or Registrar for the Notes without prior notice to the Holders thereof, and the Company may act as Paying Agent or Registrar for the Notes. Interest on any Definitive Notes shall be payable to Holders of Definitive Notes either by check mailed to each Holder at its address in the Register or, upon application by a Holder to the Registrar not later than the relevant Regular Record Date, by wire transfer in immediately available funds to that Holder's account within the United States, which application shall remain in effect until that Holder notifies, in writing, the Registrar to the contrary.

The payment-in-kind repayment of principal by common stock at maturity would be determined by the average of the closing prices of the Common Stock as reported by Bloomberg L.P. for the Principal Trading Market for the 30 Trading Days preceding the Principal Repayment Date, with the final number of shares of Common Stock rounded up to the next whole share. Fractional shares shall not be issued.

The payment-in-kind payment of interest at any time would be determined by the average of the closing prices of the Common Stock as reported by Bloomberg L.P. for the Principal Trading Market for the 30 Trading Days preceding the Regular Record Date with the final number of shares of Common Stock rounded up to the next whole share. Fractional shares shall not be issued.

SECTION 2.02 Form of Trustee's Certificate of Authentication. The Trustee's certificate of authentication shall be in substantially the following form:

This is one of the Notes referred to in the within-mentioned Indenture.

SECURITIES TRANSFER CORPORATION
As Trustee

Date: By: _____
_____ *Authorized Signatory*

SECTION 2.03 Execution of Notes. The Notes shall be signed on behalf of the Company by two Officers thereof. Such signatures upon the Notes may be the manual or facsimile signatures of the present or any future such Officers and may be imprinted or otherwise reproduced on the Notes. The seal of the Company, if any, is not required to appear on the Notes, but if it does so appear it may be in the form of a facsimile thereof and may be impressed, affixed, imprinted or otherwise reproduced on the Notes.

Only such Notes as shall bear thereon a certificate of authentication substantially in the form hereinbefore recited, manually signed by the Trustee, shall be entitled to the benefits of this Indenture or be valid or obligatory for any purpose. Such certificate by the Trustee upon any Note executed by the Company shall be conclusive evidence that the Note so authenticated has been duly authenticated and delivered hereunder.

In case any Officer of the Company who shall have signed any of the Notes shall cease to be such Officer before the Notes so signed shall have been authenticated and delivered by the Trustee, or disposed of by the Company, such Notes nevertheless may be authenticated and delivered or disposed of as though the Person who signed such Notes had not ceased to be such Officer of the Company; and any Note may be signed on behalf of the Company by such Persons as, at the actual date of the execution of such Note, shall be the proper Officers of the Company, although at the date of such Note or of the execution of this Indenture any such Person was not such Officer.

SECTION 2.04 Authentication and Delivery of Notes. At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Notes executed by the Company to the Trustee for authentication, together with a Company Order for the authentication and delivery of such Notes, and the Trustee shall thereupon authenticate and deliver such Notes in accordance with such Company Order.

If any Note shall have been authenticated and delivered hereunder but never issued and sold by the Company, and the Company shall deliver such Note to the Trustee for cancellation as provided in Section 2.13, such Note shall for all purposes of this Indenture be deemed never to have been authenticated and delivered hereunder and shall never be entitled to the benefits of this Indenture.

The Trustee may appoint an authenticating agent reasonably acceptable to the Company to authenticate Notes. Unless limited by the terms of such appointment, an authenticating agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights under Section 9.03 to deal with the Company and its Subsidiaries and Affiliates as any Registrar, Paying Agent or Conversion Agent.

Each Note shall be dated the date of its authentication.

SECTION 2.05 Registrar, Paying Agent and Conversion Agent. The Company shall maintain an office or agency where Notes may be presented for registration of transfer or for exchange (the "Registrar"), an office or agency where Notes may be presented for redemption or repurchase, if applicable, and for payment (the "Paying Agent") and, an office or agency where Notes may be presented for conversion (the "Conversion Agent"). The Registrar shall keep a register of Notes and of their transfer and exchange (the "Register"). The Company may have one or more co-registrars and one or more additional paying agents or conversion agents for Notes. The term "Paying Agent" includes any additional paying agent, the term "Registrar" includes any additional co-registrar and the term "Conversion Agent" includes any additional conversion agent.

The Company shall enter into an appropriate agency agreement with any Registrar, Paying Agent or Conversion Agent not a party to this Indenture. The agreement shall implement the provisions of this Indenture that relate to such Agent. The Company shall notify the Trustee of the name and address of any such Agent and shall furnish the Trustee with an executed counterpart of any such agency agreement. The Company at any time may replace any Registrar, Paying Agent or Conversion Agent or change the location of any such office or agency without notice to any Holder. The Company will give prompt written notice to the Trustee of any such replacement or change in location. If the Company fails to maintain a Registrar, Paying Agent or Conversion Agent, the Trustee shall act as such and shall be entitled to appropriate compensation therefor pursuant to Section 9.06. The Company or any Subsidiary incorporated or organized within the United States of America may act as Paying Agent, Conversion Agent or Registrar.

The Company initially appoints the Trustee as Registrar, Paying Agent and Conversion Agent in connection with the Notes.

SECTION 2.06 Paying Agent to Hold Money in Trust. The Company shall require each Paying Agent (other than the Trustee) for Notes to agree in writing that the Paying Agent shall hold in trust for the benefit of Holders or the Trustee all money held by the Paying Agent for the payment of principal of, and interest on, the Notes and to notify the Trustee of any default by the Company in making any such payment. If the Company or a Subsidiary acts as Paying Agent for Notes, it shall segregate the money held by it as Paying Agent and hold it as a separate trust fund for the benefit of the Persons entitled thereto. The Company at any time may require a Paying Agent to pay all money held by it to the Trustee and to account for any funds disbursed by the Paying Agent. Upon complying with this Section, the Paying Agent shall have no further liability for the money delivered to the Trustee.

SECTION 2.07 Holder Lists. The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Holders of Notes. If the Trustee is not the Registrar, the Company shall furnish to the Trustee, in writing at least five Business Days before each Interest Payment Date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of Holders.

SECTION 2.08 Transfer and Exchange.

(a) The Notes initially shall be issued in the form of one or more Global Notes without interest coupons (i) registered in the name of Cede & Co., as nominee of the Depositary and (ii) delivered to the Trustee as custodian for the Depositary.

(b) Definitive Notes shall be transferred to all beneficial owners in exchange for their beneficial interests in a Global Note only if (i) the Depositary notifies the Company that it is unwilling or unable to continue as Depositary for the Global Note and a successor depository is not appointed by the Company within 90 days of such notice, (ii) the Depositary ceases to be registered as a clearing agency under the Exchange Act and a successor depository is not appointed by the Company within 90 days of such cessation, or (iii) an Event of Default has occurred and is continuing. Definitive Notes shall not be otherwise issuable.

The Notes shall be transferable only upon the surrender of a Note for registration of transfer. When a Note is presented to the Registrar with a request to register a transfer, the Registrar shall register the transfer as requested if the requirements of this Indenture and any reasonable regulations prescribed by the Company or the Registrar are met. When Notes (other than Global Notes) are presented to the Registrar with a request to exchange them for an equal principal amount of Notes of other denominations, the Registrar shall make the exchange as requested if the same requirements are met.

To permit registrations of transfers and exchanges, the Company shall execute and the Trustee shall authenticate at the Registrar's request one or more new Notes, of any authorized denominations and of a like aggregate principal amount and tenor.

No service charge shall be made for any registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any transfer tax, assessments, or similar governmental charge payable in connection therewith.

The Registrar shall not be required to register the transfer of or exchange of any Note for a period beginning 15 Business Days before the mailing of a notice of redemption or of an offer to repurchase Notes and ending at the close of business on the date of such mailing, or for a period beginning 15 Business Days before an Interest Payment Date and ending on the close of business on such Interest Payment Date, or of any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part.

Prior to the due presentation for registration of transfer of any Note, the Company, the Trustee and any Agent may deem and treat the person in whose name a Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of, and any premium and interest on, such Note and for all other purposes whatsoever, whether or not such Note is overdue, and none of the Company, the Trustee or any Agent shall be affected by notice to the contrary.

All Notes issued upon any registration of transfer or exchange pursuant to the terms of this Indenture shall evidence the same debt and shall be entitled to the same benefits under this Indenture as the Notes surrendered upon such registration of transfer or exchange.

SECTION 2.09 Replacement Notes. If a mutilated Note is surrendered to the Registrar or if the Holder of a Note claims that the Note has been lost, destroyed or wrongfully taken, the Company shall issue and the Trustee shall authenticate a replacement Note if the Holder satisfies the reasonable requirements of the Company and the Trustee. If required by the Company or the Trustee, such Holder shall furnish an indemnity bond or other security sufficient in the judgment of the Company and the Trustee to protect the Company, the Trustee, the Paying Agent, the Registrar and any Conversion Agent from any loss which any of them may suffer if a Note is replaced. The Company and the Trustee may charge the Holder for their expenses in replacing a Note.

Every replacement Note is an additional obligation of the Company.

SECTION 2.10 Outstanding Notes. Notes outstanding at any time are all Notes authenticated by the Trustee except for those canceled by it, those delivered to it for cancellation and those described in this Section as not outstanding. Except to the extent provided in the last paragraph of this Section 2.10, a Note does not cease to be outstanding because the Company or an Affiliate of the Company holds the Note.

If a Note is replaced pursuant to Section 2.09, it ceases to be outstanding unless the Trustee and the Company receive proof satisfactory to them that the replaced Note is held by a bona fide purchaser.

If the Paying Agent holds on a redemption date or the Maturity Date money sufficient to pay all principal and interest payable on that date with respect to the Notes (or portions thereof) to be redeemed or maturing, as the case may be, then on and after that date such Notes (or portions thereof) cease to be outstanding and interest on them ceases to accrue.

If the principal amount of any Note is considered paid under Section 6.01, it ceases to be outstanding and interest on it ceases to accrue.

In determining whether the Holders of the requisite principal amount of the outstanding Notes have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Notes owned by the Company or any other obligor upon the Notes or any Subsidiary of the Company or of such other obligor shall be disregarded and deemed not to be outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes which a Trust Officer knows to be so owned shall be so disregarded. Notes so owned which have been pledged in good faith may be regarded as outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Notes and that the pledgee is not the Company or any other obligor upon the Notes or any Subsidiary of the Company or of such other obligor.

SECTION 2.11 Temporary Notes. Until definitive Notes are ready for delivery, the Company may prepare and the Trustee shall authenticate temporary Notes. Temporary Notes shall be substantially in the form of definitive Notes but may have variations that the Company considers appropriate for temporary Notes. Without unreasonable delay, the Company shall prepare and the Trustee shall authenticate definitive Notes and deliver them in exchange for temporary Notes.

SECTION 2.12 Notes Issuable in the Form of a Global Note.

(a) The Company shall execute and the Trustee shall, in accordance with Section 2.04, authenticate and deliver, such Global Note, which shall represent, and shall be denominated in an amount equal to the aggregate principal amount of, the outstanding Notes to be represented by such Global Note, or such portion thereof as the Company shall specify in an Officers' Certificate of the Company, shall be registered in the name of the Depositary for such Global Note or its nominee, shall be delivered by the Trustee or its agent to the Depositary or pursuant to the Depositary's instruction and shall bear a legend substantially to the following effect (or to such effect as may be required by the Depositary):

THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE OF A DEPOSITARY. THIS NOTE IS EXCHANGEABLE FOR NOTES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITARY OR ITS NOMINEE ONLY IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE, AND NO TRANSFER OF THIS NOTE (OTHER THAN A TRANSFER OF THIS NOTE AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY) MAY BE REGISTERED EXCEPT IN LIMITED CIRCUMSTANCES.

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF.

(b) Members of, or participants in, the Depositary ("Agent Members"), and any owner of a beneficial interest in a Global Note, shall have no rights under this Indenture with respect to or under such Global Note, and the Company, the Trustee and any agent of the Company or the Trustee shall be entitled to treat the Depositary or its nominee as the absolute owner of such Global Note for all purposes whatsoever.

(c) Notwithstanding any other provision in this Indenture, no Global Note may be transferred to, or registered or exchanged for Notes registered in the name of, any Person other than the Depositary for such Global Note or any nominee thereof, and no such transfer may be registered, except as provided in this paragraph. Every Note authenticated and delivered upon registration or transfer of, or in exchange for or in lieu of, a Global Note shall be a Global Note, except as provided in this paragraph. If (1) (A) the Depositary for a Global Note notifies the Company that it is unwilling or unable to continue as Depositary for such Global Note or ceases to be a clearing agency registered under the Exchange Act, and (B) a successor Depositary is not appointed by the Company within 90 days, (2) an Event of Default has occurred and is continuing with respect to the Notes and the Registrar has received a request from the Depositary to issue certificated Notes in lieu of all or a portion of the Global Notes (in which case the Company shall deliver certificated Notes within 30 days of such request) or (3) the Company determines in its sole discretion that Notes issued in global form shall no longer be represented by a Global Note, then such Global Note may be exchanged by such Depositary for certificated Notes, of any authorized denomination and of a like aggregate principal amount and tenor, registered in the names of, and the transfer of such Global Note or portion thereof may be registered to, such Persons as such Depositary shall direct.

(d) The Trustee shall have no responsibility or obligation to any beneficial owner of a Global Note, or interest therein, Agent Member or other Person with respect to the accuracy of the records of the Depositary or its nominee or of any Agent Member, with respect to any ownership interest in Global Notes or with respect to the delivery to any Agent Member, beneficial owner or other Person (other than the Depositary) of any notice (including any notice of redemption) or the payment of any amount, under or with respect to such Notes.

SECTION 2.13 Cancellation. The Company at any time may deliver Notes to the Trustee for cancellation. The Registrar and the Paying Agent shall forward to the Trustee any Notes surrendered to them for registration of transfer, exchange or payment. The Trustee and no one else shall cancel and dispose of (subject to the record retention requirements of the Exchange Act) all Notes surrendered for registration of transfer, exchange, payment or cancellation in its customary manner and upon written request shall deliver a certificate of such disposal to the Company unless the Company directs the Trustee to deliver canceled Notes to the Company. Any Notes purchased by the Company may, to the extent permitted by law, be reissued or resold or may, at its option, be surrendered to the Trustee for cancellation. The Company may not issue new Notes to replace Notes it has delivered to the Trustee for cancellation.

SECTION 2.14 Defaulted Interest. If the Company defaults in a payment of interest on the Notes, the Company shall pay defaulted interest (plus interest on such defaulted interest to the extent lawful) at the rate of **[___]%** in any lawful manner. The Company may pay the defaulted interest to the persons who are Holders on a subsequent special record date. The Company shall fix or cause to be fixed any such special record date and payment date to the reasonable satisfaction of the Trustee and shall promptly mail or cause to be mailed to each Holder a notice that states the special record date, the payment date and the amount of defaulted interest to be paid.

SECTION 2.15 CUSIP Numbers. The Company in issuing the Notes may use "CUSIP" numbers and the Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Holders; provided, however, that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption shall not be affected by any defect in or omission of such numbers. The Company shall notify the Trustee of any change in the CUSIP numbers.

ARTICLE THREE

REDEMPTION

SECTION 3.01 Redemption. The Note is subject to redemption at the option of the Company at any time on or after February 15, 2018 at principal or par plus any accrued interest, if any, in addition to a call premium of 10 percent of the principal, until the Maturity Date.

SECTION 3.02 Notice to Trustee. If the Company elects to redeem all or any part of Notes, it shall furnish to the Trustee and the Registrar, at least **[75]** days but not more than **[90]** days before the redemption date, an Officers' Certificate setting forth the redemption date, the principal amount of Notes to be redeemed and the redemption price of Notes to be redeemed.

SECTION 3.03 Selection of Notes to Be Redeemed. If less than all of the Notes are to be redeemed at any time, the Trustee shall select the particular Notes to be redeemed pro rata, by lot or, if the Notes are listed on any securities exchange, by any other method that complies with the requirements of such exchange; provided, however, that no Notes with a principal amount of $1,000 or less will be redeemed in part. The Trustee shall make the selection from outstanding Notes not previously called for redemption not less than **[60]** days but not more than **[75]** days before the redemption date. Notes and portions of them it selects shall be in amounts of $1,000 or whole multiples of $1,000, except that if all of the Notes of a Holder are to be redeemed, the entire outstanding amount of such Notes held by such Holder, even if not a multiple of $1,000, shall be redeemed. Provisions of this Indenture that apply to Notes called for redemption also apply to portions of Notes called for redemption. The Trustee shall notify the Company promptly of the Notes or portions of Notes selected for redemption.

SECTION 3.04 Notice of Redemption. (a) At least **[60]** days but not more than **[75]** days before a redemption date, the Company shall mail a notice of redemption by first-class mail to each Holder of Notes to be redeemed at such Holder's registered address. The Notes selected for redemption shall continue to be convertible in accordance with Article Five for a period of **[30]** days following mailing of such notice of redemption, after which **[30]** day period the Holder's right to convert the Notes terminates. The notice shall state:

(1) the redemption date;

(2) the redemption price;

(3) the aggregate principal amount of Notes being redeemed;

(4) the name and address of the Paying Agent;

(5) the date after which the Notes to be redeemed will no longer be convertible;

(6) that Notes called for redemption must be surrendered to the Paying Agent at the address specified in such notice to collect the redemption price, together with any accrued and unpaid interest thereon;

(7) that, unless the Company defaults in the payment of the redemption price or any accrued interest on Notes called for redemption, interest ceases to accrue on and after the redemption date and the only remaining right of the Holders is to receive payment of the redemption price in respect of the Notes upon surrender to the Paying Agent of the Notes;

(8) if fewer than all of the outstanding Notes are to be redeemed, the identification of the particular Notes to be redeemed, and if any Note is being redeemed in part, the portion of the principal amount of such Note to be redeemed and that, after the redemption date, upon surrender of such Note, a new Note or Notes in principal amount equal to the unredeemed portion will be issued in the name of the Holder thereof upon cancellation of the Note or Notes being redeemed; and

(9) the CUSIP number, if any, of the Notes to be redeemed.

(b) At the Company's request, the Trustee shall give the notice of redemption required in Section 3.04(a) in the Company's name and at the Company's expense; provided, however, that the Company shall deliver to the Trustee, at least 15 days prior to the date on which the Company requests that the Trustee give such notice (unless the Trustee consents in writing to a shorter notice period), an Officers' Certificate requesting that the Trustee give such notice and setting forth the information to be stated in such notice as provided in Section 3.04(a).

SECTION 3.05 Effect of Notice of Redemption. Once notice of redemption is mailed in accordance with Section 3.04, Notes called for redemption become due and payable on the redemption date at the redemption price. Each Holder will have **[30]** days after mailing of the notice of redemption to elect to convert its Notes into shares of Common Stock, after which time the Notes will cease to be convertible. Upon surrender to the Paying Agent, such Notes shall be paid at the redemption price, plus accrued and unpaid interest to, but not including, the redemption date; provided, however, that installments of interest that are due and payable on or prior to the redemption date shall be payable to the Holders of such Notes, registered as such, at the close of business on the relevant record date for the payment of such installment of interest. Failure to give notice or any defect in the notice to any Holder shall not affect the validity of the notice to any other Holder.

SECTION 3.06 Deposit of Redemption Price. Prior to 11:00 a.m., local time in Dallas, Texas, on the redemption date, the Company shall deposit with the Paying Agent (or if the Company or a Subsidiary is the Paying Agent, shall segregate and hold in trust) funds available on the redemption date sufficient to pay the redemption price of, and accrued and unpaid interest to, but not including, the redemption date on, the Notes to be redeemed on that date. The Paying Agent shall promptly return to the Company any money so deposited which is not required for that purpose upon the written request of the Company, except with respect to monies owed as obligations to the Trustee pursuant to Article Nine.

Unless the Company defaults in making such payment, interest on the Notes to be redeemed will cease to accrue on the applicable redemption date, whether or not such Notes are presented for payment. If any Note called for redemption shall not be so paid upon redemption because of the failure of the Company to comply with the preceding paragraph, interest will continue to be payable on the unpaid principal and any premium including from the redemption date until such principal and any premium is paid, and, to the extent lawful, on any interest not paid on such unpaid principal, in each case at the rate provided in the Notes and in Section 6.01 hereof.

SECTION 3.07 Notes Redeemed in Part. Upon surrender of a Note that is to be redeemed in part, the Company shall issue and the Trustee shall authenticate for the Holder, at the expense of the Company, a new Note equal in aggregate amount to the unredeemed portion of the Note surrendered.

ARTICLE FOUR

FUNDAMENTAL CHANGES AND REPURCHASES THEREUPON

SECTION 4.01 Repurchase at Option of Holders Upon a Fundamental Change.

(a) Generally. If a Fundamental Change occurs at any time, then each Holder shall have the right, at such Holder's option, to require the Company to purchase for cash any or all of such Holder's Notes, or any portion of the principal amount thereof that is equal to an integral multiple of $100, on a date specified by the Company that is not less than 20 days after the date of and no later than 35 days following the date of delivery of the Fundamental Change Company Notice (such date, the "Fundamental Change Purchase Date"), at a purchase price equal to 100% of the principal amount thereof, together with accrued and unpaid interest thereon, to, but not including, the Fundamental Change Purchase Date (the "Fundamental Change Purchase Price"); provided, however, that if a Fundamental Change Purchase Date is after a Regular Record Date and on or prior to the Interest Payment Date to which such Regular Record Date relates, the interest payable in respect of such Interest Payment Date shall be payable to the Holders of record as of the corresponding Regular Record Date and the Fundamental Change Purchase Price shall be equal to 100% of the principal amount of the Notes to be repurchased pursuant to this Article Four and shall not include any accrued and unpaid interest. The requirement for the Company to repurchase any Notes on the Fundamental Change Purchase Date shall be subject to Section 4.06.

Repurchases of Notes under this Section 4.01 shall be made, at the option of the Holder thereof, upon:

(1) delivery to the Paying Agent by a Holder of a duly completed notice (the "Fundamental Change Purchase Notice") in the form set forth on the reverse of the Note as Exhibit C thereto, if the Notes are Definitive Notes, or in compliance with the Depositary's procedures for tendering interests in Global Notes, if the Notes are not Definitive Notes, in each case prior to the close of business on the Business Day immediately preceding the Fundamental Change Purchase Date; and

(2) delivery of the Notes, in the case of Definitive Notes, to the Paying Agent appointed by the Company, (together with all necessary endorsements for transfer), or book-entry transfer of the Notes, in compliance with the procedures of the Depositary, such delivery or transfer being a condition to receipt by the Holder of the Fundamental Change Purchase Price therefor.

The Fundamental Change Purchase Notice in respect of any Notes to be repurchased shall state:

(1) if such Notes are Definitive Notes, the certificate numbers of such Notes;

(2) the portion of the principal amount of such Notes to be repurchased, which must be $100 or an integral multiple thereof; and

(3) that such Notes are to be repurchased by the Company pursuant to the applicable provisions of the Notes and the Indenture;

provided, however, that if such Notes are in global form, the Fundamental Change Purchase Notice must also comply with appropriate procedures of the Depositary.

Notwithstanding anything herein to the contrary, any Holder delivering to the Paying Agent the Fundamental Change Purchase Notice contemplated by this Section 4.01 shall have the right to withdraw, in whole or in part, such Fundamental Change Purchase Notice at any time prior to the close of business on the Business Day immediately preceding the Fundamental Change Purchase Date by delivery of a written notice of withdrawal to the Paying Agent in accordance with Section 4.03.

Notwithstanding the foregoing, the Company shall not be required to repurchase the Notes in accordance with this Section 4.01 if a third party makes an offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture and purchases all Notes validly tendered and not withdrawn under such fundamental change repurchase offer.

The Paying Agent shall promptly notify the Company of the receipt by it of any Fundamental Change Purchase Notice or written notice of withdrawal thereof.

(b) Fundamental Change Company Notice. On or before the 20th day after the date on which Fundamental Change becomes effective, which Fundamental Change results in Holders of Notes having the right to cause the Company to repurchase their Notes (the "Effective Date"), the Company shall provide to all Holders of record of the Notes, the Trustee and the Paying Agent (in the case of any Paying Agent other than the Trustee) a notice (the "Fundamental Change Company Notice") of the occurrence of such Fundamental Change and of the Repurchase right at the option of the Holders arising as a result thereof. Such notice shall be given pursuant to Section 12.01, in the case of any Global Notes, in accordance with the procedures of the Depositary for providing notices. Simultaneously with providing such Fundamental Change Company Notice, the Company shall issue a press release (and make the press release available on the Company's website) and shall publish such press release through a public medium customary for such press releases.

Each Fundamental Change Company Notice shall specify:

(1) the events causing a Fundamental Change;

(2) the effective date of the Fundamental Change;

(3) whether such Fundamental Change is a Make-Whole Fundamental Change, in which case the adjustments in Section 5.05 shall be applicable;

(4) the last date on which a Holder of Notes may exercise the repurchase right pursuant to this Article Four;

(5) the Fundamental Change Purchase Price;

(6) the Fundamental Change Purchase Date;

(7) if applicable, the name and address of the Paying Agent and the Conversion Agent;

(8) if applicable, the applicable Conversion Rate and any adjustments to the applicable Conversion Rate;

(9) if applicable, that the Notes with respect to which a Fundamental Change Purchase Notice has been delivered by a Holder may be converted only if the Holder withdraws the Fundamental Change Purchase Notice in accordance with the Indenture; and

(10) the procedures that Holders must follow to require the Company to purchase their Notes.

No failure of the Company to give the foregoing notices and no defect therein shall limit the repurchase rights of the Holders of Notes or affect the validity of the proceedings for the repurchase of the Notes pursuant to this Section 4.01.

(c) No Payment During Events of Default. There shall be no repurchase of any Notes pursuant to this Section 4.01 if there has occurred and is continuing an Event of Default with respect to the Notes where the payment of the principal amount of the Notes has been accelerated, and such acceleration has not been rescinded (other than an Event of Default that is cured by the payment of the Fundamental Change Purchase Price of the Notes). The Paying Agent shall promptly return to the respective Holders thereof any Definitive Notes held by it during the continuance of such an Event of Default (other than an Event of Default that is cured by the payment of the Fundamental Change Purchase Price with respect to the Notes) and shall deem canceled any instructions for book-entry transfer of the Notes in compliance with the procedures of the Depositary, in which case, upon such return and cancellation, the Fundamental Change Purchase Notice with respect thereto shall be deemed to have been withdrawn.

SECTION 4.02 Effect of Fundamental Change Purchase Notice.

Upon receipt by the Paying Agent of the Fundamental Change Purchase Notice specified in Section 4.01 hereof, the Holder of the Note in respect of which such Fundamental Change Purchase Notice was given shall (unless such Fundamental Change Purchase Notice is withdrawn in accordance with Section 4.03 hereof) thereafter be entitled to receive solely the Fundamental Change Purchase Price in cash with respect to such Note. Such Fundamental Change Purchase Price shall be paid to such Holder, subject to receipt of funds by the Paying Agent, on the later of (x) the Fundamental Change Purchase Date with respect to such Note (provided the conditions in Section 4.01 hereof have been satisfied) and (y) the time of delivery or book-entry transfer of such Note to the Paying Agent by the Holder thereof in the manner required by Section 4.01 hereof.

SECTION 4.03 Withdrawal of Fundamental Change Purchase Notice.

A Fundamental Change Purchase Notice may be withdrawn in whole or in part by means of a written notice of withdrawal delivered to the Paying Agent in accordance with the provisions of Section 4.02, specifying:

(1) if Definitive Notes have been issued, the certificate numbers of the withdrawn Notes;

(2) the principal amount of the Notes with respect to which such notice of withdrawal is being submitted; and

(3) the principal amount, if any, of such Notes that remains subject to the original Fundamental Change Purchase Notice, which portion must be in principal amounts of an integral multiple of $100;

provided, however, that if such Notes are in global form, the notice must also comply with appropriate procedures of the Depositary.

The Paying Agent shall promptly return to the respective Holders thereof any Definitive Notes with respect to which a Fundamental Change Purchase Notice has been withdrawn in compliance with the provisions of this Section 4.03.

SECTION 4.04 Deposit of Fundamental Change Purchase Price.

Prior to 11:00 a.m. (local time in Dallas, Texas) on the Fundamental Change Purchase Date, the Company shall deposit with the Paying Agent (or, if the Company or a Subsidiary or an Affiliate of either of them is acting as the Paying Agent, shall segregate and hold in trust as provided herein) an amount of money (in immediately available funds if deposited on such Business Day) sufficient to pay the Fundamental Change Purchase Price of all the Notes or portions thereof that are to be repurchased as of the Fundamental Change Purchase Date. If the Paying Agent holds money or securities sufficient to pay the Fundamental Change Purchase Price of the Notes on the Business Day following the Fundamental Change Purchase Date for which a Fundamental Change Purchase Notice has been tendered and not withdrawn in accordance with this Indenture on the Fundamental Change Purchase Date, then as of such Fundamental Change Purchase Date, (a) such Notes shall cease to be outstanding and interest shall cease to accrue thereon (whether or not book-entry transfer of such Notes is made or such Notes have been delivered to the Paying Agent) and (b) all other rights of the Holders in respect thereof shall terminate (other than the right to receive the Fundamental Change Purchase Price and previously accrued and unpaid interest upon delivery or book-entry transfer of such Notes).

SECTION 4.05 Notes Repurchased.

Any Note that is to be repurchased shall be surrendered at the office of the Paying Agent (with, if the Company or the Trustee so requires in the case of Definitive Notes, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by the Holder thereof or such Holder's attorney duly authorized in writing) and the Company shall execute and the Trustee shall authenticate and deliver to the Holder of such Note, without service charge, a new Note or Notes, of any authorized denomination as requested by such Holder in aggregate principal amount equal to, and in exchange for, the portion of the principal amount of the Note so surrendered that is not repurchased.

SECTION 4.06 Covenant to Comply With Applicable Laws Upon Repurchase of Notes.

In connection with any offer to repurchase Notes under Section 4.01 hereof, the Company shall, in each case if required, (i) comply with the provisions of Rule 13e-4, Rule 14e-1 and any other tender offer rules under the Exchange Act that may then be applicable, (ii) file a Schedule TO or any successor or similar schedule, if required, under the Exchange Act and (iii) otherwise comply with all federal and state securities laws so as to permit the rights and obligations under Section 4.01 to be exercised in the time and in the manner specified in Section 4.01.

SECTION 4.07 Repayment to the Company.

To the extent that the aggregate amount of cash deposited by the Company pursuant to Section 4.04 exceeds the aggregate Fundamental Change Purchase Price of the Notes or portions thereof that the Company is obligated to repurchase as of the Fundamental Change Purchase Date, then, following the Fundamental Change Purchase Date, the Paying Agent shall promptly return any such excess to the Company.

ARTICLE FIVE

CONVERSION

SECTION 5.01 Right to Convert.

Subject to and upon compliance with the provisions of this Indenture, each Holder shall have the right, at such Holder's option, to convert the principal amount of any such Notes at the Conversion Rate in effect on the Conversion Date for such Notes, effective on each Conversion Date. This right to convert terminates prior to the Maturity Date **[30]** days following mailing of a notice of redemption by the Company or the Trustee pursuant to Section 3.04. The right to convert does not include any right for any partial conversion of a Note.

SECTION 5.02 Conversion Procedures.

(a) Each Note shall be convertible at the office of the Conversion Agent and, if applicable, in accordance with the procedures of the Depositary.

(b) In order to exercise the conversion privilege with respect to any interest in a Global Note, the Holder must complete the appropriate instruction form for conversion pursuant to the Depositary's book-entry conversion program, furnish appropriate endorsements and transfer documents if required by the Company or the Conversion Agent, and pay all transfer or similar taxes if required pursuant to Section 5.07, and the Conversion Agent must be informed of the conversion in accordance with the customary practice of the Depositary. In order to exercise the conversion privilege with respect to any Definitive Notes, the Holder of any such Notes to be converted shall:

(1) complete and manually sign the conversion notice provided on the back of the Note (the "Conversion Notice") or a facsimile of the Conversion Notice;

(2) deliver the Conversion Notice, which is irrevocable, and the Note to the Conversion Agent;

(3) if required, furnish appropriate endorsements and transfer documents, and

(4) if required, pay all transfer or similar taxes as set forth in Section 5.07.

A Holder may satisfy the applicable conversion requirements at any time. However, any conversion will be effected on the Conversion Date next following 10 Business Days after receipt of a Conversion Notice by the Conversion Agent. The Conversion Agent shall, as promptly as possible, and in any event within two Business Days of the receipt thereof, provide the Company with notice of any Conversion Notice.

(c) Each Conversion Notice shall state the name or names (with address or addresses) in which any certificate or certificates for shares of Common Stock which shall be issuable on such conversion shall be issued. All such Notes surrendered for conversion shall, unless the shares issuable on conversion are to be issued in the same name as the registration of such Notes, be duly endorsed by, or be accompanied by instruments of transfer in form satisfactory to the Company duly executed by the Holder or his duly authorized attorney. Each conversion shall be deemed to have been effected as to any such Notes surrendered for conversion immediately prior to the close of business on the relevant Conversion Date.

(d) Upon the conversion of an interest in Global Notes, the Trustee (or other Conversion Agent appointed by the Company) shall make a notation on such Global Notes as to the reduction in the principal amount represented thereby. The Company shall notify the Trustee in writing of any conversions of Notes effected through any Conversion Agent other than the Trustee.

(e) Notwithstanding the foregoing, a Note in respect of which a Holder has delivered a Fundamental Change Purchase Notice exercising such Holder's option to require the Company to repurchase such Note may be converted only if such notice of exercise is withdrawn in accordance with Article Four hereof and such Note is duly submitted for conversion.

SECTION 5.03 Settlement Upon Conversion.

(a) Upon any conversion of any Note, the Company shall deliver to the converting Holder in respect of each $100 principal amount of Notes being converted shares of Common Stock and, if applicable, cash (the "Settlement Amount") as follows:

(1) The Company will deliver to the converting Holder a number of shares of Common Stock equal to (A) the aggregate principal amount of Notes to be converted, divided by (B) $100, multiplied by (C) the Conversion Rate on the Conversion Date; and

(2) Accrued interest to, but not including, the Conversion Date payable in cash or, at the sole discretion of the Company, in shares of the Common Stock (calculated in the manner provided in the last paragraph of Section 2.01).

(b) The Company's delivery to the Holder of the Settlement Amount shall be deemed to satisfy in full the Company's obligation to pay the principal amount of the Notes so converted and accrued and unpaid interest, if any, to, but not including, the Conversion Date.

(c) The Company shall not issue fractional shares of Common Stock upon conversion of Notes. If multiple Notes shall be surrendered for conversion at one time by the same Holder, the number of full shares which shall be issuable upon conversion shall be computed on the basis of the aggregate principal amount of the Notes so surrendered. If any fractional share of Common Stock would be issuable upon the conversion of any Notes, the Company shall round up to the next whole share.

SECTION 5.04 Adjustment of Conversion Rate.

The Conversion Rate shall be adjusted from time to time by the Company if any of the events set forth in this Section 5.04 occurs, without duplication, except that the Company shall not make any adjustment to the Conversion Rate if Holders of Notes participate, as a result of holding the Notes, in any of the transactions described under Section 5.04(a) and Section 5.04(b), at the same time as holders of the Common Stock participate, without having to convert their Notes, as if such Holders held a number of shares of Common Stock equal to the Conversion Rate in effect for such Notes immediately prior to the Ex-Dividend Date for such event multiplied by the principal amount of Notes held by such Holder.

Except as set forth in this Section 5.04 and in Section 5.05, the Company shall not adjust the Conversion Rate.

(a) If the Company, at any time or from time to time while any of the Notes are outstanding, issues solely shares of its Common Stock as a dividend or distribution on all or substantially all of its shares of Common Stock, or if the Company effects a share split or share combination on its Common Stock, then the Conversion Rate shall be adjusted based on the following formula:

$$CR = CR0 \times \frac{OS}{OS_0}$$

where

CR_0 = The Conversion Rate in effect immediately prior to the Open of Business on the Ex-Dividend Date of such dividend or distribution, or immediately prior to the Open of Business on the Business Day immediately following the effective date of such share split or share combination, as the case may be;

CR = The Conversion Rate in effect immediately after the Open of Business on the Ex-Dividend Date for such dividend or distribution, or immediately after the Open of Business on the Business Day immediately following the effective date of such share split or share combination, as the case may be;

$0S_0$ = The number of shares of Common Stock outstanding immediately prior to such dividend, distribution, share split or share combination, as the case may be; and

OS = The number of shares of Common Stock outstanding immediately after such dividend, distribution, share split or share combination, as the case may be.

Any adjustment made pursuant to this Section 5.04(a) shall become effective immediately after the Open of Business on the Ex-Dividend Date for such dividend or distribution or immediately after the Open of Business on the effective date for such share split or share combination. If any dividend or distribution of the type described in this Section 5.04(a) is declared but not so paid or made, the Conversion Rate shall be immediately readjusted, effective as of the date the Board of Directors determines not to pay such dividend or distribution, to the Conversion Rate that would then be in effect if such dividend or distribution had not been declared. As used in this Section 5.04(a), "effective" date means, in respect of any transaction, the first date on which the shares of the Common Stock trade on the applicable exchange or in the applicable market (used to determine the Last Reported Sale Price), regular way, reflecting the transaction.

(b) The Company may (but shall not be required to) increase the Conversion Rate, in addition to any adjustments pursuant to Section 5.04(a), to avoid or diminish any income tax to holders of Common Stock or rights to purchase Common Stock in connection with a dividend or distribution of shares (or rights to acquire shares) or similar event.

(c) Adjustments to the Conversion Rate shall be calculated to the nearest one ten-thousandth of a share. No adjustment to the Conversion Rate shall be required to be made for the Company's issuance of Common Stock or any securities convertible into or exchangeable for shares of Common Stock or the right, option or warrant to purchase shares of Common Stock or such convertible or exchangeable securities, other than as provided in this Section 5.04.

(d) Whenever the Conversion Rate is adjusted as provided in this Section 5.04, the Company shall promptly file with the Trustee and any Conversion Agent an Officers' Certificate setting forth the Conversion Rate after such adjustment and setting forth a brief statement of the facts requiring such adjustment. Unless and until a Trust Officer of the Trustee shall have received such Officers' Certificate, the Trustee shall not be deemed to have knowledge of any adjustment of the Conversion Rate and may assume without inquiry that the last Conversion Rate of which it has knowledge is still in effect. As soon as practicable following the adjustment, the Company shall notify the Holders of the Notes of such adjustment of the Conversion Rate setting forth the adjusted Conversion Rate and the date on which each adjustment becomes effective, and will issue a press release containing the relevant information (and make such press release available on the Company's website). Failure to deliver such notice shall not affect the legality or validity of any such adjustment.

(e) For purposes of this Section 5.04, the number of shares of Common Stock at any time outstanding shall not include shares held in the treasury of the Company so long as the Company does not pay any dividend or make any distribution on shares of Common Stock held in the treasury of the Company, but shall include shares issuable in respect of scrip certificates issued in lieu of fractions of shares of Common Stock.

(f) Notwithstanding anything to the contrary in this Article Five, no adjustment to the Conversion Rate shall be made:

(1) upon the issuance of any shares of Common Stock pursuant to any present or future plan providing for the reinvestment of dividends or interest payable on the Company's securities and the investment of additional optional amounts in shares of Common Stock under any plan;

(2) upon the issuance of any shares of Common Stock or options or rights to purchase those shares pursuant to any present or future employee, director or consultant benefit plan or program of or assumed by the Company or any of its Subsidiaries;

(3) upon the issuance of any shares of Common Stock pursuant to any option, warrant, right or exercisable, exchangeable or convertible security not described in clause (2) above;

(4) for a change in the par value of the Common Stock; or

(5) for accrued and unpaid interest, if any, on the Notes.

(g) The Company shall not be required to make an adjustment in the Conversion Rate unless the adjustment would require a change of at least 1% in the Conversion Rate. However, the Company shall carry forward and take into account in any future adjustment any adjustments that are less than 1% of the Conversion Rate.

Notwithstanding anything in this Section 5.04, if (i) a Conversion Rate adjustment pursuant to this Section 5.04 becomes effective on any Ex-Dividend Date as described above and (ii) a Holder converting its Notes on or after such Ex-Dividend Date and on or prior to the close of business on the related record date would be treated as the record holder of shares of Common Stock as of the related Conversion Date as described in Section 5.02 based on an adjusted Conversion Rate for such Ex-Dividend Date, then, notwithstanding the foregoing Conversion Rate adjustment provisions, the Conversion Rate adjustment relating to such Ex-Dividend Date will not be made for any Holder converting Notes on or after such Ex-Dividend Date and on or prior to the close of business on the related record date. Instead, such Holder will be treated as if such Holder were the record owner of the shares of Common Stock on an unadjusted basis and participate in the related dividend, distribution or other event giving rise to such adjustment.

SECTION 5.05 Adjustments Upon Certain Fundamental Changes.

(a) If a Make-Whole Fundamental Change occurs and a Holder elects to convert its Notes in connection with such Make-Whole Fundamental Change at any time from, and including the Effective Date (as defined below) of such Make-Whole Fundamental Change to, and including the Business Day immediately preceding the related Fundamental Change Purchase Date, the Company shall increase the Conversion Rate for the Notes so surrendered for conversion by a number of additional shares of Common Stock (the "Additional Shares") as set forth in this Section 5.05.

(b) The number of Additional Shares, if any, shall be determined by reference to the date on which the Make-Whole Fundamental Change occurs or becomes effective (the "Effective Date") and the price (the "Stock Price") paid or deemed paid per share of the Common Stock in the Make-Whole Fundamental Change. If the holders of the Common Stock receive only cash in a Make-Whole Fundamental Change described in clause (2) of the definition of Fundamental Change, the Stock Price shall be the cash amount paid per share of the Common Stock. Otherwise, the Stock Price shall be the average of the Last Reported Sale Prices of the Common Stock on each of the **[five]** consecutive Trading Days ending on the Trading Day immediately preceding the Effective Date.

(c) The Stock Price set forth in Section 5.05(b) shall represent the Make-Whole Fundamental Change Conversion Price with respect to each $100 principal amount of Note. If the Make-Whole Fundamental Change Conversion Price is less than the Conversion Price, then the difference between the two prices shall determine the number of Additional Shares to be received per $100 principal amount of Note upon a Make-Whole Fundamental Change conversion, with any fractional share rounded up to the next whole share. If the Make-Whole Fundamental Change Conversion Price is equal to or more than the Conversion Price, there shall not be any Additional Shares upon a Make-Whole Fundamental Change conversion.

(d) The Company shall notify the Holders of Notes of the Effective Date of any Make-Whole Fundamental Change by issuing a press release (and make the press release available on the Company's website) announcing such Effective Date as soon as practicable after the Company first determines the anticipated Effective Date of such Make-Whole Fundamental Change. The Company will use commercially reasonable efforts to make such determination in time to deliver such notice no later than **[20]** Business Days in advance of such anticipated Effective Date, and will update the notice promptly if the anticipated Effective Date subsequently changes. Notwithstanding the foregoing, in no event will the Company be required to provide such notice to the Holders and the Trustee before the earlier of such time as the Company publicly discloses or acknowledges the circumstances giving rise to such Make-Whole Fundamental Change or is required to publicly disclose under applicable law or the rules of any stock exchange on which the Company's equity is then listed the circumstances giving rise to such anticipated Make-Whole Fundamental Change.

SECTION 5.06 Effect of Recapitalization, Reclassification, Consolidation, Merger or Sale.

(a) If any of the following events occur:

(1) any reclassification of the Common Stock;

(2) a consolidation, merger, combination or binding share exchange involving the Company; or

(3) a sale or conveyance to another Person of all or substantially all of the Company's property and assets;

(any event as set forth in clauses (i), (ii), or (iii) above a "Merger Event") in each case, in which holders of the Common Stock would be entitled to receive cash, securities or other property for their shares of the Common Stock ("Reference Property"), the Holders shall be entitled thereafter to convert their Notes into the kind and amount of shares of stock, other securities or other property or assets (including cash or any combination thereof) that a holder of that number of shares of the Common Stock equal to the number into which such Holder's Note would have converted; provided, however, that at and after the effective time of the Merger Event the Settlement Amount shall be calculated and settled in accordance with Section 5.03 (including the Company's right to elect a settlement method as described therein) such that (i) any amount payable in cash upon conversion of the Notes as set forth under Section 5.03 shall continue to be payable as set forth in Section 5.03, (ii) the number of shares of Common Stock deliverable upon conversion of the Notes under Section 5.03, if any, shall be instead deliverable in the amount and type of Reference Property that a holder of that number of shares of Common Stock would have been entitled to receive in such Merger Event.

If, as a result of the Merger Event, each share of Common Stock is converted into the right to receive more than a single type of consideration (determined based in part upon any form of stockholder election), then (x) the Reference Property into which the Notes shall be convertible shall be deemed to be the weighted average of the types and amounts of consideration received by the holders of Common Stock that affirmatively make such an election, and (y) the unit of Reference Property for purposes of this Section 5.06 shall refer to the consideration referred to in clause (x) attributable to one share of Common Stock. The Company shall notify Holders of such weighted average as soon as practicable after such determination is made.

(b) The Company shall not become a party to any such Merger Event unless its terms are consistent with this Section 5.06.

SECTION 5.07 Taxes on Shares Issued.

The Company shall pay any documentary, stamp or similar issue or transfer tax due on the issue or delivery of shares of Common Stock on conversion of Notes pursuant hereto; provided, however, that if such documentary, stamp or similar issue or transfer tax is due because the Holder of such Notes has requested that shares of Common Stock be issued in a name other than that of the Holder of the Notes converted, then such taxes shall be paid by the Holder, and the Company shall not be required to issue or deliver any stock certificate evidencing such shares unless and until the Holder shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid. Nothing herein shall preclude any tax withholding required by law or regulations.

SECTION 5.08 Reservation of Shares; Shares to be Fully Paid; Compliance With Governmental Requirements; Listing of Common Stock.

The Company shall reserve, out of its authorized but unissued shares or shares held in treasury, sufficient shares of Common Stock to satisfy conversion of the Notes from time to time as such Notes are presented for conversion (assuming that, at the time of the computation of such number of shares, all such Notes would be converted by a single Holder).

The Company covenants that all shares of Common Stock that may be issued upon conversion of Notes shall be newly issued shares or treasury shares, shall be duly authorized, validly issued, fully paid and non-assessable and shall be free from preemptive rights and free from any tax, lien or charge (other than those created by the Holder).

SECTION 5.09 Responsibility of Trustee.

The Trustee and any Conversion Agent shall not at any time be under any duty or responsibility to any Holder of Notes to determine or calculate the Conversion Rate, to determine whether any facts exist which may require any adjustment of the Conversion Rate, or to confirm the accuracy of any such adjustment when made or the appropriateness of the method employed, in making the same. The Trustee and any other Conversion Agent shall not be accountable with respect to the validity or value (or the kind or amount) of any shares of Common Stock or of any other securities or property that may at any time be issued or delivered upon the conversion of any Notes; and the Trustee and the Conversion Agent make no representations with respect thereto. Neither the Trustee nor any Conversion Agent shall be responsible for any failure of the Company to issue, transfer or deliver any shares of Common Stock or stock certificates or other securities or property or cash upon the surrender of any Notes for the purpose of conversion or to comply with any of the duties, responsibilities or covenants of the Company contained in this Article Five. The rights, privileges, protections, immunities and benefits given to the Trustee, including without limitation its right to be compensated, reimbursed, and indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, including its capacity as Conversion Agent.

ARTICLE SIX

COVENANTS

SECTION 6.01 Payment of Notes. The Company shall pay the principal of, and any interest on, the Notes on the dates and in the manner provided in the terms of the Notes and this Indenture. Principal or redemption price, and any premium and interest with respect to Notes shall be considered paid on the date due if the Trustee or Paying Agent holds on that date money deposited by the Company designated for and sufficient to pay such principal, redemption price, premium and interest as is then due with respect to such Notes.

The Company shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal at an annual rate of **[___]**% to the extent lawful; and it shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest (without regard to any applicable grace period) at the same rate to the extent lawful.

SECTION 6.02 SEC Reports. The Company shall furnish to the Trustee within 15 days after the same is required to be filed with the SEC (giving effect to any grace period provided by Rule 12b-25 under the Exchange Act), copies of the quarterly and annual reports and of the information, documents and other reports, if any, that the Company is required to file with the SEC pursuant to Section 13 or 15(d) of the Exchange Act. Any quarterly or annual report or other information, document or other report that the Company files with the SEC pursuant to Section 13 or 15(d) of the Exchange Act on the SEC's EDGAR system (or any successor system thereto) shall be deemed furnished as of the time of such filing. The Trustee does not have the duty to review such information, documents or reports, is not considered to have notice of the content of such information, documents or reports and does not have a duty to verify the accuracy of such information, documents or reports.

SECTION 6.03 Compliance Certificates.

(a) The Company shall deliver to the Trustee, within 120 days after the end of each fiscal year of the Company, an Officers' Certificate, stating that a review of the activities of the Company during the preceding fiscal year has been made under the supervision of the signing Officers with a view to determining whether the Company has kept, observed, performed and fulfilled its obligations under this Indenture, and further stating, as to each such Officer signing such certificate, that, to the best of such Officers' knowledge, the Company has kept, observed, performed and fulfilled each and every covenant contained in this Indenture and is not in default in the performance or observance of any of the terms, provisions and conditions hereof (or, if a Default or Event of Default shall have occurred, describing all such Defaults or Events of Default of which such Officers may have knowledge and what action the Company is taking or proposes to take with respect thereto).

(b) The Company will, so long as any of the Notes are outstanding, deliver to the Trustee forthwith upon any Officer becoming aware of any Default or Event of Default or default in the performance of any covenant, agreement or condition contained in this Indenture, an Officers' Certificate specifying such Default or Event of Default and what action the Company proposes to take with respect thereto.

SECTION 6.04 Maintenance of Office or Agency. The Company will maintain in each Place of Payment for the Notes, an office or agency where Notes may be surrendered for registration of transfer or exchange or for presentation for payment, and where notices and demands to or upon the Company in respect of the Notes and this Indenture may be served. The Company will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the address of the Trustee set forth in Section 12.01 or at the Corporate Trust Office of the Trustee.

Subject to Section 2.01, the Company may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; provided, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in each Place of Payment for Notes for such purposes. The Company will give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency. The Company hereby initially designates as the Place of Payment for Notes as the Corporate Trust Office of the Trustee, and initially appoints the Trustee as Paying Agent at its Corporate Trust Office located at 2591 Dallas Parkway, Suite 102, Frisco, Texas 75074, as the Company's office or agency for each such purpose.

SECTION 6.05 Continued Existence. Except as permitted by Article Five, the Company will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence and all rights (charter and statutory) and franchises of the Company.

SECTION 6.06 Waiver of Stay, Extension or Usury Laws. The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension, or usury law or other law which would prohibit or forgive the Company from paying all or any portion of the principal of, and interest on, the Notes as contemplated herein, wherever enacted, now or at any time hereafter in force, or which may affect the covenants or the performance of this Indenture; and (to the extent that it may lawfully do so) the Company hereby expressly waives all benefit or advantage of any such law, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE SEVEN

SUCCESSORS

SECTION 7.01 When Company May Merge, etc. The Company shall not consolidate with or merge with or into any Person or sell, convey, lease, transfer or otherwise dispose of all or substantially all of its assets to any Person, unless:

(1) the Company survives such merger or the Person formed by such consolidation or into which the Company is merged or that acquires by sale, conveyance, transfer or other disposition, or which leases, all or substantially all of the assets of the Company is a corporation, limited liability company, general partnership or limited partnership organized and existing under the laws of the United States of America, any state thereof or the District of Columbia, or Canada or any province thereof (a "Successor"), and expressly assumes, by supplemental indenture, the due and punctual payment of the principal of, and any interest on, all the Notes and the performance of every other covenant and obligation of the Company under this Indenture; provided, that unless the Successor is a corporation, a corporate co-issuer of the Notes shall be added hereto by the execution and delivery of a supplemental indenture by such co-issuer; and

(2) immediately after giving effect to such transaction no Default or Event of Default exists.

In connection with any consolidation, merger, sale, conveyance, lease, transfer or other disposition contemplated by this Section 7.01, the Company shall deliver to the Trustee prior to the consummation of the proposed transaction an Officers' Certificate to the foregoing effect and an Opinion of Counsel stating that the proposed transaction and such supplemental indenture, if any, comply with this Indenture.

SECTION 7.02 Successor Substituted. Upon any consolidation, merger, lease, conveyance or transfer in accordance with Section 7.01, the Trustee shall be notified by the Company or the Successor, and the Successor formed by such consolidation or into which the Company is merged or to which such lease, conveyance or transfer is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such Successor had been named as the Company herein and thereafter the predecessor will be relieved of all further obligations and covenants under this Indenture and the Notes.

ARTICLE EIGHT

DEFAULTS AND REMEDIES

SECTION 8.01 Events of Default. An "Event of Default" occurs in respect of the Notes upon:

(a) default in the payment in respect of the principal of any Note at its maturity, upon required repurchase, upon declaration of acceleration or when otherwise due and payable;

(b) default in the payment of any interest upon any Note when it becomes due and payable, and continuance of such default for a period of **[60]** days;

(c) material default in the performance, or breach, of any covenant or agreement of the Company in this Indenture (other than a covenant or agreement a default in whose performance or whose breach is specifically dealt with in clauses (a) or (b) of this Section 8.01), and continuance of such material default or breach for a period of **[90]** days after written notice thereof has been given to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 50% in aggregate principal amount of the outstanding Notes;

(d) the Company or any Subsidiary that is a Significant Subsidiary (or any group of Subsidiaries that, taken together, would constitute a Significant Subsidiary) pursuant to or within the meaning of any Bankruptcy Law:

(1) commences a voluntary case,

(2) consents to the entry of an order for relief against it in an involuntary case,

(3) consents to the appointment of a Custodian of it or for all or substantially all of its property, or

(4) makes a general assignment for the benefit of its creditors, or

(5) generally is unable to pay its debts as the same become due, or

(e) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(1) is for relief against the Company or any Subsidiary that is a Significant Subsidiary (or any group of subsidiaries that, taken together, would constitute a Significant Subsidiary) in an involuntary case,

(2) appoints a Custodian of the Company or any Significant Subsidiary (or any group of subsidiaries that, taken together, would constitute a Significant Subsidiary) or a Custodian for all or substantially all of the property of the Company, or

(3) orders the liquidation of the Company or any Significant Subsidiary (or any group of subsidiaries that, taken together, would constitute a Significant Subsidiary),

and the order or decree remains unstayed and in effect for 60 days.

The term "Custodian" means any receiver, trustee, assignee, liquidator, custodian or similar official under any Bankruptcy Law.

The Company is required to deliver to the Trustee, within 60 days after the occurrence thereof, written notice of any events which would constitute a Default, the status of such events and the actions the Company is taking or proposes to take in respect thereof.

SECTION 8.02 Other Remedies. If an Event of Default occurs and is continuing with respect to the Notes, the Trustee may, but is not obligated to, pursue, in its own name and as trustee of an express trust, any available remedy by proceeding at law or in equity to collect the payment of principal or interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. No remedy is exclusive of any other remedy. All available remedies are cumulative.

SECTION 8.03 Control by Majority. The Holders of a majority in aggregate principal amount of the outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on such Trustee with respect to Notes, provided that (1) such direction is not in conflict with any rule of law or with this Indenture and (2) the Trustee may take any other action deemed proper by such Trustee that is not inconsistent with such direction.

SECTION 8.04 Limitation on Remedies. No Holder of any of the Notes will have any right to institute any proceeding, judicial or otherwise, to appoint a receiver or trustee or to pursue any remedy under this Indenture, unless:

(1) such Holder has previously given notice to the Trustee of a continuing Event of Default,

(2) the Holders of not less than 25% of the principal amount of the outstanding Notes have made written request to such Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee under this Indenture,

(3) such Holder or Holders have offered to such Trustee indemnity reasonably satisfactory to it against the costs, expenses and liabilities to be incurred in compliance with such request,

(4) such Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any proceeding, and

(5) no direction inconsistent with such written request has been given to such Trustee during such 60-day period by the Holders of a majority of the principal amount of the outstanding Notes.

A Holder may not use this Indenture to prejudice the rights of another Holder or to obtain a preference or priority over other Holders.

SECTION 8.05 Rights of Holders to Receive Payment. Notwithstanding any other provision of this Indenture, the Holder of any Notes will have the right, which is absolute and unconditional, to receive payment of the principal of and interest on such Notes on the Maturity Date therefor and to institute suit for the enforcement of any such payment, and such right may not be impaired without the consent of such Holder.

SECTION 8.06 Collection Suit by Trustee. If an Event of Default in payment of principal or interest specified in paragraphs (1) or (2) of Section 8.01 occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against the Company for the whole amount of principal and interest then due and remaining unpaid with respect to the Notes, and interest on overdue principal, and, to the extent lawful, interest on overdue interest, and such further amounts as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation and expenses of the Trustee, its agents and counsel.

SECTION 8.07 Trustee May File Proofs of Claim.

(a) The Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and the Holders allowed in any judicial proceedings relative to the Company, their creditors or their property and may collect and receive any money or securities or other property payable or deliverable on any such claims and to distribute the same.

(b) Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

SECTION 8.08 Priorities. If the Trustee collects any money pursuant to this Article Eight with respect to Notes, it shall pay out the money in the following order:

First: to the Trustee for amounts due under Section 9.06;

Second: to Holders for amounts due and unpaid on the Notes for principal and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal and interest, respectively; and

Third: to the Company.

The Trustee may fix a record date and payment date for any payment to Holders pursuant to this Section 8.08.

SECTION 8.09 Undertaking for Costs. In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 8.09 does not apply to a suit by the Trustee, a suit by a Holder pursuant to Section 8.05, or a suit by Holders of more than 10% in aggregate principal amount of the then outstanding Notes.

ARTICLE NINE

TRUSTEE

SECTION 9.01 Duties of Trustee.

(a) If an Event of Default with respect to Notes has occurred and is continuing, the Trustee shall exercise with respect to Notes such rights and powers vested in it by this Indenture and use the same degree of care and skill in such exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default:

(1) The Trustee need perform only those duties that are specifically set forth (or incorporated by reference) in this Indenture with respect to the Notes and no others.

(2) In the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, in the case of certificates or opinions specifically required by any provision hereof to be furnished to it, the Trustee shall examine such certificates and opinions to determine whether or not they conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein).

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(1) This paragraph (c) does not limit the effect of paragraph (b) of this Section.

(2) The Trustee shall not be liable for any error of judgment made in good faith by a Trust Officer, unless it is proved that the Trustee was negligent in ascertaining the pertinent facts.

(3) The Trustee shall not be liable to Holders with respect to action it takes or omits to take in good faith in accordance with a direction received by it from Holders of Notes pursuant to Section 8.03, and the Trustee shall be entitled from time to time to request such a direction.

(d) Every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b) and (c) of this Section.

(e) The Trustee shall be under no obligation and may refuse to perform any duty or exercise any right, duty or power hereunder unless it receives indemnity reasonably satisfactory to it against any loss, liability, claim, damage or expense. No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds to believe that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(f) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Company. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

SECTION 9.02 Rights of Trustee. Subject to Section 9.01:

(a) The Trustee may conclusively rely on and shall be fully protected in acting or refraining from acting upon any document believed by it to be genuine and to have been signed or presented by the proper person. The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney, to the extent reasonably required by such inquiry or investigation at the expense of the Company and shall incur no liability of any kind by reason of such inquiry or investigation.

(b) Before the Trustee acts or refrains from acting, it may require an Officers' Certificate of the Company or an Opinion of Counsel or both. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such certificate or opinion.

(c) The Trustee may act through agents or attorneys and shall not be responsible for the misconduct or negligence of any agent appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers under this Indenture.

(e) The Trustee may consult with counsel of its selection and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and reliance thereon.

(f) In no event shall the Trustee be responsible or liable for special, indirect, or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(g) The Trustee shall not be deemed to have notice of any Default or Event of Default unless a Trust Officer has actual knowledge thereof or unless written notice of any event which is in fact such a default is received by the Trustee at the Corporate Trust Office of the Trustee, and such notice references the Notes and this Indenture.

(h) The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder and each agent, custodian and other person employed by the Trustee to act hereunder.

(i) The Trustee may request that the Company deliver a certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture.

(j) Any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Company Request or Company Order and resolution of the Board of Directors may be sufficiently evidenced by a Board Resolution.

SECTION 9.03 Individual Rights of Trustee. The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Company or its Subsidiaries or Affiliates with the same rights it would have if it were not Trustee. Any Agent may do the same with like rights.

SECTION 9.04 Trustee's Disclaimer. The Trustee makes no representation as to the validity or adequacy of this Indenture or the Notes, it shall not be accountable for the Company's use of the proceeds from the Notes or any prospectus, offering or solicitation documents, and it shall not be responsible for any statement in the Notes other than its certificate of authentication.

SECTION 9.05 Notice of Defaults. If a Default occurs and is continuing with respect to the Notes and if it is known to the Trustee, the Trustee shall mail to each Holder of Notes pursuant to Section 12.01 a notice of the Default within 90 days after it occurs. Except in the case of a Default in any payment on any Note, the Trustee may withhold the notice if and so long as its board of directors, executive committee or a trust committee of officers in good faith determines that withholding the notice is in the interests of Holders of Notes.

SECTION 9.06 Compensation and Indemnity. The Company agrees to pay the Trustee from time to time reasonable compensation for its services as shall be agreed upon from time to time in writing between the Company and the Trustee (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust). The Company agrees to reimburse the Trustee upon request for all reasonable out-of-pocket expenses, disbursements and advances incurred by it. Such expenses shall include, when applicable, the reasonable compensation and expenses of the Trustee's agents and counsel.

The Trustee shall not be under any obligation to institute any suit, or take any remedial action under this Indenture, or to enter any appearance or in any way defend any suit in which it may be a defendant, or to take any steps in the execution of the trusts created hereby or thereby or in the enforcement of any rights and powers under this Indenture, until it shall be indemnified to its satisfaction against any and all expenses, disbursements and advances incurred or made by the Trustee in accordance with any provisions of this Indenture, including compensation for services, costs, expenses, outlays, counsel fees and other disbursements, and against all liability (including fees and expenses incurred by the Trustee pursuant to the penultimate paragraph of Section 9.07) determined not to have been caused by its own negligence or willful misconduct. The Company agrees to indemnify the Trustee against any loss, liability, claim, damage or expenses incurred by it arising out of or in connection with the acceptance and administration of the trust and its duties hereunder as Trustee, Registrar and/or Paying Agent, including the costs and expenses of enforcing this Indenture against the Company (including with respect to this Section 9.06) and of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder. The Trustee shall notify the Company of any claim of which a Trust Officer has received written notice for which it may seek indemnity; however, the failure of the Trustee to promptly notify the Company shall not limit its right to indemnification. The Company shall defend each such claim and the Trustee shall cooperate in the defense. The Trustee may retain separate counsel and the Company shall reimburse the Trustee for the reasonable fees and expenses of such counsel. The Company need not pay for any settlement made without its consent (which consent shall not be unreasonably withheld).

The Company shall not be obligated to reimburse any expense or indemnify against any loss, liability, claim or damage incurred by the Trustee determined to have been caused by the Trustee's own negligence or willful misconduct. To secure the payment obligations of the Company in this Section, the Trustee shall have a claim prior to that of the Holders of the Notes on all money or property held or collected by the Trustee, except that held in trust to pay principal of and interest on, or the redemption price of, particular Notes. The Trustee's right to receive payment of any amounts due under this Section 9.06 shall not be subordinate to any other liability or indebtedness of the Company.

When the Trustee incurs expenses or renders services after the occurrence of any Event of Default specified in clause (d) or (e) of Section 8.01, the expenses and the compensation for the services are intended to constitute expenses of administration under any Bankruptcy Law.

The benefits of this section shall survive termination of this Indenture and resignation or removal of the Trustee.

SECTION 9.07 Replacement of Trustee. The Trustee may resign by so notifying the Company. The Holders of a majority in principal amount of the Notes may remove the Trustee by so notifying the Trustee and the Company in writing. The Company may remove the Trustee if:

(1) the Trustee is adjudged a bankrupt or an insolvent;

(2) a receiver or other public officer takes charge of the Trustee or its property; or

(3) the Trustee becomes incapable of acting as Trustee hereunder.

If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Company shall promptly appoint a successor Trustee. Within one year after the successor Trustee takes office, the Holders of a majority in principal amount of Notes may appoint a successor Trustee to replace the successor Trustee appointed by the Company.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Immediately after that and upon payment of its charges hereunder, the retiring Trustee shall transfer all property held by it as Trustee to the successor Trustee, subject to the lien provided for in Section 9.06, the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. A successor Trustee shall mail notice of its succession to each Holder of Notes.

If a successor Trustee does not take office within 30 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Company or the Holders of a majority in principal amount of Notes may petition, at the expense of the Company, any court of competent jurisdiction for the appointment of a successor Trustee.

SECTION 9.08 Successor Trustee by Merger, etc. If the Trustee consolidates, merges or converts into, or transfers all or substantially all of its corporate trust assets to, another corporation, the successor corporation without any further act shall be the successor Trustee; provided that such corporation shall be otherwise eligible and qualified under this Article and shall notify the Company of its successor hereunder.

ARTICLE TEN

AMENDMENTS, SUPPLEMENTS AND WAIVERS

SECTION 10.01 Without Consent of Holders.

The Company and the Trustee may amend or supplement this Indenture or the Notes without notice to or consent of any Holder of the Notes:

(1) to cure any ambiguity, inconsistency or omission in this Indenture or the Notes in a manner that does not adversely affect the rights of any Holder;

(2) to cure any defect or error in the Indenture or the Notes or to conform the terms of the Indenture or the Notes to the description thereof in the Prospectus;

(3) to provide for the assumption by a successor Company of the obligations of the Company under this Indenture as provided in Article Seven;

(4) to add guarantees with respect to the Notes;

(5) to secure the Notes;

(6) to add to the covenants of the Company such further covenants, restrictions or conditions for the benefit of the Noteholders or surrender any right or power conferred upon the Company;

(7) to make any change that does not materially adversely affect the rights of any holder of Notes; or

(8) to appoint a successor Trustee with respect to the Notes.

SECTION 10.02 With Consent of Holders. Except as provided below in this Section 10.02, the Company and the Trustee may amend or supplement this Indenture or the Notes with the consent (including consents obtained in connection with a tender offer or exchange offer for Notes or a solicitation of consents in respect of Notes) of the Holders of at least a majority in aggregate principal amount of the Notes affected by such amendment or supplement, considered together as a single class.

For purposes of this Indenture, the consent of the Holder of a Global Note shall be deemed to include any consent delivered by any member of, or participant in, the Depositary or such other depositary institution hereinafter appointed by the Company by electronic means in accordance with the Automated Tender Offer Procedures system or other customary procedures of, and pursuant to authorization by, such entity.

Upon the request of the Company, accompanied by a Board Resolution of the Company authorizing the execution of any such supplemental indenture, and upon the filing with the Trustee of evidence of the consent of the Holders as aforesaid, and upon receipt by the Trustee of the Opinion of Counsel and Officers' Certificate described in Section 10.06, the Trustee shall join with the Company in the execution of such supplemental indenture.

It shall not be necessary for the consent of the Holders under this Section to approve the particular form of any proposed amendment or waiver, but it shall be sufficient if such consent approves the substance thereof.

The Holders of a majority in aggregate principal amount of the outstanding Notes may waive compliance in a particular instance by the Company with any provision of this Indenture or the Notes (including waivers obtained in connection with a tender offer or exchange offer for Notes or a solicitation of consents in respect of Notes). Without the consent of the Holders of majority in aggregate principal amount of the outstanding Notes affected thereby, no amendment may:

(a) reduce the percentage in aggregate principal amount of Notes whose Holders must consent to an amendment of the Indenture or to waive any past Event of Default;

(b) reduce the rate of or extend the stated time for payment of interest on any Note;

(c) reduce the principal amount or extend the Maturity Date of any Note;

(d) make any change that impairs or otherwise adversely affects the conversion rights of any Notes;

(e) reduce any repurchase price or the Fundamental Change Purchase Price of any Note or amend or modify in any manner adverse to the Holders of Notes the Company's obligation to make such payments whether through an amendment or waiver of provisions in the covenants, definitions or otherwise;

(f) make any Note payable in a currency other than that stated in the Note;

(g) release any security or otherwise diminish the ranking of the Notes;

(h) impair the right of any Holder to receive payment of principal of and interest on such Holder's Notes on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such Holder's Notes; or

(i) make any change in the amendment or waiver provisions of the Indenture.

SECTION 10.03 Notice of Amendment or Supplement. After any amendment or supplement to the Indenture or the Notes becomes effective, the Company shall provide to Holders, pursuant to the procedures set forth in Section 12.01, a notice briefly describing such amendment or supplement and shall make such notice available on the Company's website, provided that any failure to give such notice to all the Holders, or any defect in such notice, shall not impair or affect the validity of such amendment or supplement.

SECTION 10.04 Revocation and Effect of Consents. A consent to an amendment, supplement or waiver by a Holder of a Note shall bind the Holder and every subsequent Holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note. However, until an amendment, supplement or waiver becomes effective, any such Holder or subsequent Holder may revoke the consent as to its Note or portion of a Note. For such revocation to be effective, the Trustee must receive the notice of revocation before the date the amendment, supplement or waiver becomes effective.

The Company may, but shall not be obligated to, fix a record date for the purpose of determining the Holders entitled to consent to any amendment, supplement or waiver. If the Company elects to fix a record date for such purpose, the record date shall be fixed at (i) the later of 30 days prior to the first solicitation of such consent or the date of the most recent list of Holders furnished to the Trustee prior to such solicitation pursuant to Section 2.07, or (ii) such other date as the Company shall designate. If a record date is fixed, then notwithstanding the provisions of the immediately preceding paragraph, those Persons who were Holders at such record date (or their duly designated proxies), and only those Persons, shall be entitled to consent to such amendment, supplement or waiver or to revoke any consent previously given, whether or not such Persons continue to be Holders after such record date. No consent shall be valid or effective for more than 90 days after such record date unless consent from the Holders of the principal amount of Notes required hereunder for such amendment, supplement or waiver to be effective also shall have been given and not revoked within such 90-day period.

After an amendment, supplement or waiver becomes effective, it shall bind every Holder.

SECTION 10.05 Notation on or Exchange of Notes. If an amendment, supplement or waiver changes the terms of a Note, the Trustee may require the Holder of the Note to deliver it to the Trustee. The Trustee may place an appropriate notation on the Note about the changed terms and return it to the Holder. Alternatively, if the Company or the Trustee so determines, the Company in exchange for the Note shall issue and the Trustee shall authenticate a new Note that reflects the changed terms. Failure to make appropriate notation or issue a new Note shall not affect the validity of any such amendment, supplement or waiver.

SECTION 10.06 Trustee Protected. The Trustee shall sign any amendment, supplement or waiver authorized pursuant to this Article if the amendment, supplement or waiver does not adversely affect the rights of the Trustee. If it does adversely affect the rights of the Trustee, the Trustee may but need not sign it. In signing such amendment, supplement or waiver the Trustee shall be provided with, and (subject to Article Nine) shall be fully protected in relying upon, an Opinion of Counsel and an Officers' Certificate of the Company stating that such amendment, supplement or waiver is authorized or permitted by and complies with this Indenture.

ARTICLE ELEVEN

SATISFACTION AND DISCHARGE

SECTION 11.01 Satisfaction and Discharge of Indenture. When (i) the Company shall deliver to the Registrar for cancellation all Notes theretofore authenticated (other than any Notes that have been destroyed, lost or stolen and in lieu of or in substitution for which other Notes shall have been authenticated and delivered) and not theretofore canceled, or (ii) all the Notes not theretofore canceled or delivered to the Trustee for cancellation shall have become due and payable (whether at Maturity Date for the payment of the principal amount thereof, on any Fundamental Change Purchase Date or otherwise) and the Company shall deposit with the Trustee, in trust, or deliver to the Holders, as applicable, cash funds and shares of Common Stock, as applicable, sufficient to pay all amounts due (and shares of Common Stock deliverable following conversion, if applicable) on all of such Notes (other than any Notes that shall have been mutilated, destroyed, lost or stolen and in lieu of or in substitution for which other Notes shall have been authenticated and delivered) not theretofore canceled or delivered to the Trustee for cancellation, including principal and interest due, accompanied by a verification report as to the sufficiency of the deposited amount from an independent certified accountant or other financial professional reasonably satisfactory to the Trustee, and if the Company shall also pay or cause to be paid all other sums payable hereunder by the Company, then this Indenture shall cease to be of no further effect (except as to (A) rights hereunder of Holders of the Notes to receive all amounts owing upon the Notes and the other rights, duties and obligations of Holders of the Notes, as beneficiaries hereof with respect to the amounts, if any, so deposited with the Trustee and (B) the rights, obligations and immunities of the Trustee hereunder), and the Trustee, on written demand of the Company accompanied by an Officers' Certificate and an Opinion of Counsel as required by Section 9.02(b) and at the cost and expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture; the Company, however, hereby agrees to reimburse the Trustee for any costs or expenses thereafter reasonably and properly incurred by the Trustee, including the fees and expenses of its counsel, and to compensate the Trustee for any services thereafter reasonably and properly rendered by the Trustee in connection with this Indenture or the Notes.

This Indenture shall upon Company Request cease to be of further effect with respect to Notes (except as to any surviving rights of registration of transfer or exchange of such Notes or conversion of such Notes herein expressly provided for), and the Trustee, at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture with respect to such Notes, when:

(a) either

(1) all Notes theretofore authenticated and delivered (other than (i) Notes which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 2.9, and (ii) Notes for whose payment money has theretofore been, as provided in Section 2.06, deposited in trust or segregated and held in trust by the Company) have been delivered to the Trustee for cancellation; or

(2) all Notes not theretofore delivered to the Trustee for cancellation

(A) have become due and payable;
(B) will become due and payable at their Maturity Date within one year, or
(C) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company,

and the Company in the case of (A), (B) or (C) above, has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust for this purpose an amount of money in the currency or currency units in which Notes are payable sufficient to pay and discharge the entire indebtedness on Notes not theretofore delivered to the Trustee for cancellation, for principal of, and any premium and interest thereon, to the Maturity Date or applicable redemption date, as the case may be in accordance with the terms of this Indenture and Notes;

(b) the Company has paid or caused to be paid all other sums payable hereunder by the Company with respect to Notes; and

(c) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture with respect to such Notes have been complied with.

Notwithstanding the satisfaction and discharge of this Indenture to Notes, (i) the obligations of the Company to the Trustee under Section 9.06 and the right of the Trustee to resign under Section 9.07 shall survive, (ii) the obligations of the Company in Sections 2.06, 2.07, 2.08, 2.09, and 2.10 and in this Article Eleven shall survive until such Notes have been repaid in full, and (iii) if money shall have been deposited with the Trustee pursuant to clause (2) of subsection (a) of this Section, the obligations of the Company and/or the Trustee under Sections 2.07, 6.04, 9.01(f) and 11.02 shall survive such satisfaction and discharge.

SECTION 11.02 Application of Trust Money. All money deposited with the Trustee pursuant to Section 11.01 shall be held in trust and applied by it, in accordance with the provisions of the Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal and interest for whose payment such money has been deposited with the Trustee.

ARTICLE TWELVE

GENERAL PROVISIONS

SECTION 12.01 Notices. Any notice or communication to the Company, or the Trustee or any Agent shall be sufficiently given if in writing and delivered in person or mailed by certified or registered mail (return receipt requested), facsimile, or overnight courier guaranteeing next day delivery, addressed as follows:

If to the Company:

Rave Restaurant Group, Inc.
3551 Plano Parkway
The Colony, Texas 75056
Attn: Chief Financial Officer
Fax: **[469-384-5058]**

If to the Trustee or any Agent:

Securities Transfer Corporation
2591 Dallas Parkway, Suite 102
Frisco, Texas 75074
Attention: Corporate Trust Administration
Fax: **[469-633-0088]**

The Company or the Trustee or any Agent by notice to the other may designate additional or different addresses for subsequent notices or communications.

The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, pdf, facsimile transmission or other similar unsecured electronic methods; provided, however, that the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Company elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its reasonable discretion elects to act upon such instructions, the Trustee's reasonable understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reasonable reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Company agrees to assume all risks arising out of incidents of actual use by the Company of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions and the risk of interception by third parties.

All notices and communications described above shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; five Business Days after being deposited in the mail, postage prepaid, if mailed; when receipt acknowledged, if faxed or telecopied; and the next Business Day after timely delivery to the courier, if sent by overnight courier guaranteeing next day delivery.

Any notice or communication mailed to a Holder shall be mailed by first-class mail to the address for such Holder appearing on the Register and shall be sufficiently given to such Holder if so mailed within the time prescribed. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice by mail, then such notification as shall he made with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder.

If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it. If the Company mails notice or communications to Holders, it shall mail a copy to the Trustee and each Agent at the same time.

Notwithstanding any other provision of this Indenture or any Note, where this Indenture or any Note provides for notice of any event (including any notice of redemption) to a Holder of a Global Note (whether by mail or otherwise), such notice also shall be sufficiently given if given to the Depositary for such Note (or its designee), pursuant to the customary procedures of such Depositary, not later than the latest date (if any), and not earlier than the earliest date (if any), prescribed for the giving of such notice.

SECTION 12.02 Certificate and Opinion as to Conditions Precedent. Upon any request or application by the Company to the Trustee to take any action under this Indenture, the Company shall furnish to the Trustee:

(1) an Officers' Certificate stating that, in the opinion of the signers, the conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(2) an Opinion of Counsel stating that, in the opinion of such counsel, such conditions precedent have been complied with.

SECTION 12.03 Statements Required in Certificate or Opinion. Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(1) a statement that each person making such certificate or opinion has read such covenant or condition;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of each such person, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(4) a statement as to whether or not, in the opinion of each such person, such covenant or condition has been complied with.

SECTION 12.04 Rules by Trustee and Agents. The Trustee may make reasonable rules for actions taken by, or meetings or consents of, Holders. The Registrar, Paying Agent or Conversion Agent may make reasonable rules for its functions.

SECTION 12.05 Governing Law. THIS INDENTURE AND EACH OF THE NOTES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAWS TO THE EXTENT THAT THE APPLICATION OF THE LAW OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY, EXCEPT TO THE EXTENT THAT THE LAWS OF THE STATE OF TEXAS WOULD REQUIRE THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION REGARDING THE VALIDITY OF THE NOTES.

SECTION 12.06 No Adverse Interpretation of Other Agreements. This Indenture may not be used to interpret another indenture, loan or debt agreement of the Company. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

SECTION 12.07 No Recourse Against Others. Obligations of the Company under this Indenture and the Notes hereunder are payable only out of the respective cash flow and assets of the Company. The Trustee, and each Holder of a Note by its acceptance thereof, will be deemed to have agreed in this Indenture that no director, officer, employee, or shareholder, as such, of the Company, the Trustee, or any Affiliate of any of the foregoing entities shall have any personal liability in respect of the obligations of the Company under this Indenture, or such Notes by reason of his, her or its status. The agreements set forth in this Section are part of the consideration for the issuance of the Notes.

SECTION 12.08 Successors. All agreements of the Company in this Indenture and the Notes shall bind its successors. All agreements of the Trustee in this Indenture shall bind its successors.

SECTION 12.09 Duplicate Originals. The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same instrument.

SECTION 12.10 Severability. In case any provision in this Indenture or in the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 12.11 Force Majeure. In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices to resume performance as soon as practicable under the circumstances.

SECTION 12.12 Waiver of Jury Trial. EACH OF THE COMPANY AND THE TRUSTEE HEREBY IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE NOTES OR THE TRANSACTION CONTEMPLATED HEREBY.

SECTION 12.13 Payments on Business Days. If any Interest Payment Date, Conversion Date or the Maturity Date of the Notes, or any Fundamental Change Purchase Date, would fall on a day that is not a Business Day, the required payment shall be made on the next succeeding Business Day and no interest on such payment shall accrue in respect of the delay.

SECTION 12.14 No Security Interest Created. Nothing in this Indenture or in the Notes, expressed or implied, shall be construed to constitute a security interest under the Uniform Commercial Code or similar legislation, as now or hereafter enacted and in effect, in any jurisdiction.

SECTION 12.15 Benefits of Indenture. Nothing in this Indenture or in the Notes, expressed or implied, shall give to any Person, other than the parties hereto, any Paying Agent, any Conversion Agent, any authenticating agent, any Registrar and their successors hereunder or the Holders of the Notes, any benefit or any legal or equitable right, remedy or claim under this Indenture.

SECTION 12.16 Calculations. Except as otherwise expressly provided in this Indenture, the Company shall be responsible for making all calculations called for under this Indenture and the Notes. These calculations include, but are not limited to, determinations of any Last Reported Sale Price of the Common Stock, accrued interest payable on the Notes and the Conversion Rate. The Company shall make all these calculations in good faith and, absent manifest error, the Company's calculations shall be final and binding on Holders of Notes. The Company shall provide a schedule of its calculations to each of the Trustee and the Conversion Agent (if different than the Trustee), and each of the Trustee and Conversion Agent (if different than the Trustee) is entitled to rely conclusively upon the accuracy of the Company's calculations without independent verification. The Trustee shall forward the Company's calculations to any Holder of Notes upon the request of that Holder at the sole cost and expense of the Company. Neither the Trustee nor the Conversion Agent shall be responsible for making any calculations for determining amounts to be paid or for monitoring any stock price.

SECTION 12.17 Table of Contents, Headings, Etc. The table of contents and the titles and headings of the articles and sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part hereof, and shall in no way modify or restrict any of the terms or provisions hereof.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed as of the date first written above.

COMPANY:

RAVE RESTAURANT GROUP, INC.

By: _____

Name: _____

Title: _____

TRUSTEE:

SECURITIES TRANSFER CORPORATION

By: _____

Name: _____

Title: _____

EXHIBIT A
FORM OF NOTE

[FACE OF NOTE]

THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE OF A DEPOSITARY. THIS NOTE IS EXCHANGEABLE FOR NOTES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITARY OR ITS NOMINEE ONLY IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE, AND NO TRANSFER OF THIS NOTE (OTHER THAN A TRANSFER OF THIS NOTE AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY) MAY BE REGISTERED EXCEPT IN LIMITED CIRCUMSTANCES.

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

No. [ ] $3,000,000.00

CUSIP No. _____

RAVE RESTAURANT GROUP, INC., a Missouri corporation (herein called the "Company", which term includes any successor Person under the Indenture hereinafter referred to), for value received, hereby promises to pay CEDE & CO., or registered assigns, [ ] ($[ ]) (or such lesser principal amount as shall be specified in the "Schedule of Exchanges of Notes") on February 15, 2022, unless earlier converted or repurchased, and to pay interest thereon as set forth in the manner, at the rates and to the Persons set forth in the Indenture.

Interest Payment Dates: February 15, or the next Business Day, payable annually, commencing February 15, 2018.

Regular Record Dates: 10 business days prior to the Interest Payment Date.

Reference is hereby made to the further provisions of this Note set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, RAVE RESTAURANT GROUP, INC. has caused this instrument to be signed manually or by facsimile by its duly authorized officers.

Dated: _____

RAVE RESTAURANT GROUP, INC.

By: _____
Name: _____
Title: _____

CERTIFICATE OF AUTHENTICATION

This is one of the Notes designated herein referred to in the within-mentioned Indenture.

Dated: _____

SECURITIES TRANSFER CORPORATION,
as Trustee

By: _____
Name: _____
Title: _____

[REVERSE OF NOTE]
RAVE RESTAURANT GROUP, INC.

4% Convertible Senior Note due 2022

This Note is one of a duly authorized issue of Notes of the Company (herein called the "Notes"), issued under an Indenture dated as of **[_____]**, 2017, as amended and supplemented from time to time in accordance with the terms thereof (the "Indenture") by and between the Company and Securities Transfer Corporation (herein called the "Trustee"), and reference is hereby made to the Indenture for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Notes and of the terms upon which the Notes are, and are to be, authenticated and delivered.

1. INTEREST

This Note shall bear interest at a rate of 4% per annum from **[_____]**, 2017, or from the most recent date to which interest had been paid or provided to, but excluding, the next scheduled Interest Payment Date, until the principal hereof shall be repaid. Interest on this Note shall be computed on the basis of a 360-day year composed of twelve 30-day months. Interest is payable annually in arrears on February 15 of each year or, if not a Business Day, the next Business Day, commencing on February 15, 2018, to the Person in whose name this Note is registered at the close of business on the Regular Record Date for such interest. The Regular Record Date shall be 10 business days prior to the Interest Payment Date.

The Company shall pay interest on overdue principal, and, to the extent lawful, on overdue interest, in each case at a rate of **[___]**% per annum. Interest not paid when due and any interest on principal or interest not paid when due will be paid to Holders on a special record date, which will be the 15th day preceding the date fixed by the Company for the payment of such interest, whether or not such day is a Business Day. At least 15 days before a special record date, the Company will send to each Holder and to the Trustee a notice that sets forth the special record date, the payment date and the amount of interest to be paid.

2. MATURITY DATE

The Notes shall mature on February 15, 2022.

3. METHOD OF PAYMENT

The Company shall pay the principal of and interest on any Global Note to the Depositary or its nominee, as the case may be, as the registered Holder of such Global Note. However, the Company has the sole discretion to repay the principal and pay any interest payments on any Global Note in cash or by payment-in-kind of the Company's common stock. The Company shall pay the principal of any Definitive Notes at the office or agency designated by the Company for that purpose. The Company has initially designated the Trustee as its Paying Agent and Registrar in respect of the Notes and its agency in Frisco, Texas as a place where Notes may be presented for payment or for registration of transfer. The Company may, however, change the Paying Agent or Registrar for the Notes without prior notice to the Holders thereof, and the Company may act as Paying Agent or Registrar for the Notes. If the interest payment is not by payment-in-kind of shares of Common Stock, interest on any Definitive Notes shall be payable to Holders of Definitive Notes either by check mailed to each Holder at its address in the Register or, upon application by a Holder to the Registrar not later than the relevant Regular Record Date, by wire transfer in immediately available funds to that Holder's account within the United States, which application shall remain in effect until that Holder notifies, in writing, the Registrar to the contrary.

As provided in and subject to the provisions of the Indenture, the Company shall make all payments and deliveries in respect of the Fundamental Change Purchase Price and the principal amount on the Maturity Date thereof, as the case may be, to the holder who surrenders a Note to the Paying Agent to collect such payments in respect of the Note. If the interest payment is not by payment-in-kind of common stock, the Company shall pay cash amounts in money of the United States that at the time of payment is legal tender for payment of public and private debts.

The payment-in-kind repayment of principal by shares of Common Stock at maturity would be determined by the average of the closing prices of the Common Stock as reported by Bloomberg L.P. for the Principal Trading Market for the 30 Trading Days preceding the Principal Repayment Date, with the final number of shares of common stock rounded up to the next whole share. Fractional shares shall not be issued. The Principal Repayment Date means the trading day immediately prior to the 30 day period preceding the Maturity Date. The payment-in-kind of interest at any time would be determined by the average of the closing prices of the common stock as reported by Bloomberg L.P. for the Principal Trading Market for the 30 trading days preceding the Regular Record Date with the final number of shares of Common Stock rounded up to the next whole share. Fractional shares shall not be issued.

4. PAYING AGENT, REGISTRAR, CONVERSION AGENT.

Initially, the Trustee shall act as Paying Agent, Registrar and Conversion Agent. The Company may change the Paying Agent, Registrar or Conversion Agent without prior notice.

5. REDEMPTION

This Note is subject to redemption at the option of the Company commencing February 15, 2018, at par plus any accrued interest, if any, in addition to a call premium of 10% of the principal until the Maturity Date. The Company shall give notice to the Trustee and Depositary at least 35 days before the redemption date. Notes selected for redemption shall continue to be convertible in accordance with Article Five for a period of 30 days following mailing of notice of redemption to the Holder, after which 30 day period the Holder's right to convert the Notes terminates.

6. FUNDAMENTAL CHANGES AND REPURCHASES THEREUPON

Upon the occurrence of a Fundamental Change, the Holder has the right, at such Holder's option, to require the Company to repurchase all of such Holder's Notes or any portion thereof (in principal amounts of $100 or integral multiples thereof) on the Fundamental Change Purchase Date at a price equal to the Fundamental Change Purchase Price.

7. CONVERSION

As provided in and subject to the provisions of the Indenture, the Holder hereof has the right, at its option, during periods and upon the occurrence of conditions specified in the Indenture, to convert this Note into shares of Common Stock at the Conversion Rate specified in the Indenture. The right to convert does not include any right for any partial conversion of a Note.

8. SATISFACTION AND DISCHARGE

The Note is subject to satisfaction and discharge in accordance with Section 11.01 of the Indenture.

9. DENOMINATIONS, TRANSFER, EXCHANGE

As provided in the Indenture and subject to limitations therein set forth, the transfer of this Note is registrable in the Register, upon surrender of this Note for registration of transfer at the office or agency of the Company in any place where the principal of and interest on this Note are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Registrar duly executed by the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Notes of like tenor, of authorized denominations and for the same aggregate principal amount, shall be issued to the designated transferee or transferees.

The Notes are issuable only in registered form without coupons in denominations of $100 and in integral multiples of $100 in excess thereof. As provided in the Indenture and subject to limitations therein set forth, the Notes are exchangeable for a like aggregate principal amount of Notes and of like tenor of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

10. DEFAULTS AND REMEDIES

As provided in and subject to the provisions of the Indenture, in case an Event of Default shall have occurred and be continuing, the principal of and interest on all Notes may be declared due and payable by the Holders of a majority in aggregate principal amount of Notes then outstanding, and upon said declaration shall become due and payable, in the manner, with the effect and subject to the conditions provided in the Indenture; provided that upon the occurrence of an Event of Default specified in Section 8.01 of the Indenture, the principal amount of, and interest on, all the Notes shall automatically become due and payable.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and interest on this Note at the time, place and rate, and in the coin and currency, herein prescribed.

11. AMENDMENT, SUPPLEMENT AND WAIVER

The Indenture permits, with exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Notes to be effected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in principal amount of the Notes at the time outstanding. The Indenture also contains provisions permitting the Holders of the majority in principal amount of the Notes at the time outstanding, on behalf of the Holders of all Notes, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note.

12. PERSONS DEEMED OWNERS

The Holder of a Note may be treated as the owner of it for all purposes.

13. DEFINITIONS

All defined terms used in this Note that are defined in the Indenture shall have the meanings assigned to them in the Indenture.

14. AUTHENTICATION

Unless the certificate of authentication hereon has been executed by the Trustee or an authenticating agent by manual signature, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

15. INDENTURE TO CONTROL; GOVERNING LAW

In the case of any conflict between this Note and the Indenture, the provisions of the Indenture shall control. This Note, for all purposes, shall be governed by and construed in accordance with the laws of the State of Texas.

16. ABBREVIATIONS

The following abbreviations, when used in the inscription of the face of this Note, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= as joint tenants with right of Survivorship and not as tenants in common), UGMA (= Uniform Gifts to Minors Act), CUST (= Custodian).

Additional abbreviations may also he used though not in the above list.

EXHIBIT B
FORM OF NOTICE OF CONVERSION

To: _____

The undersigned owner of this Note hereby irrevocably exercises the option to convert this Note (which is $100 or an integral multiple hereof) below designated, into shares of Common Stock, in accordance with the terms of the Indenture referred to in this Note, and directs that any shares of Common Stock issuable and deliverable upon conversion, together with a rounding up to the next whole share to avoid any payment for fractional shares of Common Stock, be issued in the name of the undersigned or as otherwise indicated below. If any shares of Common Stock are to be issued in the name of a Person other than the undersigned, the undersigned will pay all transfer taxes payable with respect hereto. There is no partial conversion of a Note held by the undersigned owner.

Principal amount to be converted:

Date: _____ Your Signature: _____

(Sign exactly as your name appears on the other side of this Note)

*Signature guaranteed by:

By: _____

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* This signature must be guaranteed by an institution which is a member of one of the following recognized signature guaranty programs: (i) the Securities Transfer Agent Medallion Program (STAMP); (ii) the New York Stock Exchange Medallion Program (MSP); (iii) the Stock Exchange Medallion Program (SEMP); or (iv) such other guaranty program acceptable to the Trustee.

Signature Guarantee

Signature Guarantee

Fill in for registration of any shares of Common Stock and Notes if to be issued otherwise than to the registered Holder.

_____

Agent to transfer this Note on the books of the Company. The Agent may substitute another to act for him or her.

_____

(Name)

_____

(Address)

Please print Name and Address
(including zip code)

_____

Social Security or other Taxpayer
Identifying Number

_____

EXHIBIT C
FORM OF FUNDAMENTAL CHANGE PURCHASE NOTICE

To: _____

The undersigned registered owner of this Note hereby acknowledges receipt of a notice from Rave Restaurant Group, Inc. (the "Company") as to the occurrence of a Fundamental Change with respect to the Company and specifying the Fundamental Change Purchase Date and requests and instructs the Company to repay to the registered holder hereof in accordance with the applicable provisions of this Note and the Indenture referred to in this Note (1) the entire principal amount of this Note below designated, and (2) if such Fundamental Change Purchase Date does not fall during the period after a Regular Record Date and on or prior to the corresponding Interest Payment Date, accrued and unpaid interest thereon to, but excluding, such Fundamental Change Purchase Date.

In the case of certificated Notes, the certificate numbers of the Notes to be repurchased are as set forth below:

Dated:

_____
Signature(s)

Signature(s) must be guaranteed by a qualified guarantor institution with membership in an approved signature guarantee program pursuant to Rule 17Ad-15 under the Securities Exchange Act of 1934.

_____
Signature Guaranty

Social Security or Other Taxpayer Identification Number _____

Principal amount to be repurchased:

$_____.00

NOTICE: The signature on the Fundamental Change Purchase Notice must correspond with the name as written upon the face of the Note in every particular without alteration or enlargement or any change whatever.

EXHIBIT D
FORM OF ASSIGNMENT AND TRANSFER

For value received _____ hereby sell(s), assign(s) and transfer(s) unto _____ (insert social security or Taxpayer Identification Number of assignee) the within Note, and hereby irrevocably constitutes and appoints to _____ transfer the said Note on the books of the Company, with full power of substitution in the premises.

Date: _____ Your Signature: _____

(Sign exactly as your name appears on the other side of this Note)

*Signature guaranteed by:

By: _____

_____

* This signature must be guaranteed by an institution which is a member of one of the following recognized signature guaranty programs: (i) the Securities Transfer Agent Medallion Program (STAMP); (ii) the New York Stock Exchange Medallion Program (MSP); (iii) the Stock Exchange Medallion Program (SEMP); or (iv) such other guaranty program acceptable to the Trustee.

PLEDGE AGREEMENT

This PLEDGE AGREEMENT, dated as of _____, 2017 (together with all amendments, restatements or modifications from time to time hereto, this "Agreement"), is executed by and among RAVE RESTAURANT GROUP, INC., a Missouri corporation ("Pledgor"), and SECURITIES TRANSFER CORPORATION, as trustee under the Indenture described below (together with its successors and assigns, in such capacity, "Trustee").

W I T N E S S E T H:

WHEREAS, Pledgor has issued 4% Convertible Secured Notes due 2022 (the "Notes") pursuant to an Indenture of even date herewith between Pledgor and Trustee (including all supplements, exhibits and schedules thereto, the "Indenture");

WHEREAS, Pledgor is the record and beneficial owner of the shares of capital stock and/or other equity securities and ownership interests listed in Schedule I hereto;

WHEREAS, in order to induce Holders (as defined in the Indenture) to purchase the Notes, Pledgor has agreed to pledge the Pledged Collateral (as defined below) to Trustee for the benefit of the Holders in accordance herewith;

NOW, THEREFORE, in consideration of the premises and the covenants hereinafter contained, it is agreed as follows:

1. Definitions. Unless otherwise defined herein, terms defined in the Indenture are used herein as therein defined, and the following shall have the respective meanings (such meanings being equally applicable to both the singular and plural form of the terms defined):

"Act" means the Securities Act of 1933, as amended, and all rules and regulations promulgated thereunder.

"Bankruptcy Code" means title 11, United States Code, as amended from time to time, and any successor statute thereto.

"Pledged Collateral" has the meaning assigned to such term in Section 2 hereof.

"Pledged Entity" means an issuer of Pledged Shares.

"Pledged Shares" means those shares of capital stock and/or other equity securities and ownership interests listed on Schedule I hereto.

"Secured Obligations" has the meaning assigned to such term in Section 3 hereof.

"Termination Date" means the date on which the Indenture is satisfied and discharged pursuant to Article Eleven thereof, or such earlier date as this liens and security interests granted hereby shall be fully released by the Trustee in accordance with the Indenture.

2. Pledge. Pledgor hereby pledges to Trustee for the benefit of the Holders, and grants to Trustee a first priority security interest in and to the Pledged Shares and the certificates representing the Pledged Shares, and all dividends, distributions, cash, instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Pledged Shares (collectively, the "Pledged Collateral").

3. Security for Obligations. This Agreement secures, and the Pledged Collateral is security for, the prompt payment in full when due, whether at stated maturity, by acceleration or otherwise, of all principal and interest of the Notes and the performance of all obligations of Pledgor now or hereafter existing under this Agreement including, without limitation, all fees, costs and expenses whether in connection with collection actions hereunder or otherwise (collectively, the "Secured Obligations").

4. Delivery of Pledged Collateral. In furtherance of Trustee's security interest in the Pledged Collateral, Pledgor agrees to deliver to Trustee, on or before the date of this Agreement, any and all certificates evidencing the Pledged Collateral identified on Schedule I. All Pledged Shares which are represented by certificates shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance reasonably satisfactory to Trustee.

5. Escrowed Funds. The Pledgor agrees to deposit with the Trustee funds in the amount of $10,000.00 to be held in escrow by the Trustee. The Trustee is entitled to utilize these funds in the case of a Default or Event of Default towards legal and administrative fees associated with its obligations in dealing with the Pledged Collateral pursuant to this Agreement. The escrowed funds shall be returned to the Pledgor upon either (i) the termination of this Agreement pursuant to Section 12 herein, or (ii) the earlier release of the Trustee's security interest in the Pledged Collateral.

6. Representations and Warranties. Pledgor represents and warrants to Trustee that:

(a) Pledgor is, and at the time of delivery of the Pledged Shares to Trustee will be, the sole holder of record and the sole beneficial owner of such Pledged Collateral pledged by Pledgor, free and clear of any lien, pledge, security interest, charge or encumbrance of any kind thereon or affecting the title thereto, except as created by this Agreement;

(b) All of the Pledged Shares have been duly authorized, validly issued and are fully paid and non-assessable;

(c) There are no existing obligations to issue capital stock and/or other equity securities and ownership interests or securities convertible into capital stock and/or other equity securities and ownership interests of the Pledged Entities and in no event will Pledgor permit any such capital stock and/or other equity securities and ownership interests to be issued to any Person other than Pledgor prior to the payment in full of the Secured Obligations;

(d) Pledgor has the right and requisite authority to pledge, assign, transfer, deliver, deposit and set over the Pledged Collateral pledged by Pledgor to Trustee as provided herein;

(e) None of the Pledged Shares has been issued or transferred in violation of the securities registration, securities disclosure or similar laws of any jurisdiction to which such issuance or transfer may be subject;

(f) All of the Pledged Shares are presently owned by Pledgor, and, if certificated, are presently represented by the certificates listed on Schedule I hereto. Other than as set forth on Schedule I hereto, no certificates representing the Pledged Shares have been issued to Pledgor by any Pledged Entity and Pledgor agrees that it will not allow any Pledged Entity to issue any such certificates representing the Pledged Collateral unless such certificates are delivered to Trustee in accordance with this Agreement. As of the date hereof, there are no existing options, warrants, calls or commitments of any character whatsoever relating to the Pledged Shares;

(g) No consent, approval, authorization or other order or other action by, and no notice to or filing with, any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality or any other Person is required (i) for the execution, delivery or performance of this Agreement by Pledgor or for the pledge by Pledgor of the Pledged Collateral pursuant to this Agreement, or (ii) for the exercise by Trustee of the voting or other rights provided for in this Agreement or the remedies in respect of the Pledged Collateral pursuant to this Agreement, except as may be required by laws affecting the voting, offering and sale of securities generally;

(h) The pledge, assignment and delivery of the Pledged Collateral pursuant to this Agreement will create a valid first priority lien on and a first priority perfected security interest in favor of the Trustee for the benefit of Holders in the Pledged Collateral and the proceeds thereof, securing the payment of the Secured Obligations, subject to no other lien, pledge, security interest, charge or encumbrance of any kind;

(i) Upon the filing of a financing statement naming Pledgor as debtor and Trustee as secured party, filed in the jurisdiction of organization of Pledgor, and covering the Pledged Collateral, the Liens granted pursuant to this Agreement will constitute a valid, perfected first priority Lien on the capital stock and/or other equity securities and ownership interests, as applicable, of a Pledged Entity for which no certificates, instruments, or other writings representing such equity securities and ownership interests exist;

(j) Neither Pledgor nor any Pledged Entity are in default under any Organizational Document of any Pledged Entity;

(k) Neither the making of this Agreement, nor the exercise of any rights or remedies of Trustee hereunder will cause a default under the charter, certificate or articles of incorporation, bylaws or other agreement or instrument governing the formation or operation of any Pledged Entity;

(l) This Agreement has been duly authorized, executed and delivered by Pledgor and constitutes a legal, valid and binding obligation of Pledgor enforceable against Pledgor in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or similar laws or equitable principles relating to or limiting creditor's rights generally (whether enforcement is sought by proceedings in equity or at law); and

(m) The Pledged Shares constitute the entire interest of Pledgor in the capital stock and/or other equity securities and ownership interests of each Pledged Entity.

The representations and warranties set forth in this Section 5 shall survive the execution and delivery of this Agreement.

7. Covenants. Pledgor covenants and agrees that until the Termination Date:

(a) Without the prior written consent of Trustee, Pledgor will not sell, assign, transfer, pledge, or otherwise encumber any of its rights in or to the Pledged Collateral, or any unpaid dividends, interest or other distributions or payments with respect to the Pledged Collateral or grant any lien, pledge, security interest, charge or encumbrance of any kind in the Pledged Collateral;

(b) Pledgor will, at its expense, promptly execute, acknowledge and deliver all such instruments and take all such actions as Trustee from time to time may reasonably request in order to ensure to Trustee the benefits of the liens and security interests in and to the Pledged Collateral intended to be created by this Agreement, including the filing of any necessary UCC financing statements, which may be filed by Trustee with or (to the extent permitted by law) without the signature of Pledgor, and will cooperate with Trustee, at Pledgor's expense, in obtaining all necessary approvals and making all necessary filings under federal, state or local law in connection with such liens and security interests or any sale or transfer of the Pledged Collateral;

(c) Pledgor has and will defend the title to the Pledged Collateral and the liens and security interests of Trustee in the Pledged Collateral against the claim of any Person and will maintain and preserve such liens and security interests;

(d) Pledgor will not, without the express written consent of the Trustee, cause, permit, approve or consent to the issuance by any Pledged Entity of (i) any additional capital stock and/or other equity securities of or other ownership interests in a Pledged Entity unless the same are promptly upon issuance pledged and delivered to Trustee as Pledged Collateral hereunder, (ii) any instrument convertible into, or exchangeable for, any such capital stock and/or other equity securities of or other ownership interests in a Pledged Entity, or (iii) any warrants, options, contracts or other commitments entitling any third party to purchase or otherwise acquire any such capital stock and/or other equity securities of or other ownership interests in a Pledged Entity; and

(e) Pledgor will do or cause to be done all things necessary to preserve and keep in full force and effect the corporate existence and all charter and statutory rights of the Pledged Entities.

8. Pledgor's Rights. As long as no Default or Event of Default shall have occurred and be continuing:

(a) Pledgor shall have the right, from time to time, to vote and give consent with respect to the Pledged Collateral, or any part thereof for all purposes not inconsistent with the provisions of this Agreement or the Indenture; provided, however, that no vote shall be cast, and no consent shall be given or action taken, which would have the effect of impairing the position or interest of Trustee in respect of the Pledged Collateral or which would authorize, effect or consent to:

(i) the dissolution or liquidation, in whole or in part, of a Pledged Entity other than into Pledgor or a Pledged Entity;

(ii) the consolidation or merger of a Pledged Entity with any other Person other than into Pledgor or a Pledged Entity;

(iii) any change in the authorized number of shares, the stated capital or the authorized share capital of a Pledged Entity or the issuance of any additional shares of its capital stock and/or other equity securities and ownership interests unless all such additional shares, capital stock, equity securities or ownership interests constitute Pledged Collateral and any certificates in respect thereof are promptly delivered to Trustee; or

(iv) the alteration of the voting rights with respect to the capital stock and/or other equity securities and ownership interests of a Pledged Entity.

(b) (i) Pledgor shall be entitled, from time to time, to collect and receive for its own use all dividends paid in respect of the Pledged Shares other than any and all: (A) dividends paid or payable other than in cash or cash equivalents in respect of any Pledged Collateral, and instruments and other property received, receivable or otherwise distributed in respect of, or in exchange for, any Pledged Collateral; and (B) dividends and other distributions paid or payable in cash or cash equivalents in respect of any Pledged Shares in connection with a partial or total liquidation or dissolution or in connection with a reduction of capital, capital surplus or paid-in capital of a Pledged Entity; provided, however, that until actually paid, all rights to such distributions shall remain subject to the liens and security interests created by this Agreement; and

(ii) All dividends (other than such cash or cash equivalent dividends as are permitted to be paid to Pledgor in accordance with clause (i) above) and all other distributions in respect of any of the Pledged Shares, whenever paid or made, shall be delivered to Trustee to hold as Pledged Collateral and shall, if received by Pledgor, be received in trust for the benefit of Trustee, be segregated from the other property or funds of Pledgor, and be forthwith delivered to Trustee as Pledged Collateral in the same form as so received (with any necessary endorsement).

9. Defaults and Remedies; Proxy.

(a) Upon the occurrence of an Event of Default and during the continuation thereof, Trustee (personally or through an agent) is hereby authorized and empowered to transfer and register in its name or in the name of its nominee the whole or any part of the Pledged Collateral, to exchange certificates, if any, representing or evidencing Pledged Collateral for certificates of smaller or larger denominations, to exercise the voting and all other rights as a holder with respect thereto, to collect and receive all cash dividends and other distributions made thereon, to sell in one or more sales after ten (10) days' notice of the time and place of any public sale or of the time after which a private sale may take place (which notice Pledgor agrees is commercially reasonable) the whole or any part of the Pledged Collateral and to otherwise act with respect to the Pledged Collateral as though Trustee was the outright owner thereof. Any sale shall be made at a public or private sale at Trustee's place of business, or at any place to be named in the notice of sale, either for cash or upon credit or for future delivery at such price as Trustee may deem fair, and Trustee or any Holder may be the purchaser of the whole or any part of the Pledged Collateral so sold and hold the same thereafter in its own right free from any claim of Pledgor or any right of redemption. Each sale shall be made to the highest bidder, but Trustee reserves the right to reject any and all bids at such sale which, in its discretion, it shall deem inadequate. Demands of performance, except as otherwise herein specifically provided for, notices of sale,

advertisements and the presence of property at sale are hereby waived by Pledgor and Pledged Entities and any sale hereunder may be conducted by an auctioneer or any officer or agent of Trustee. PLEDGOR HEREBY IRREVOCABLY CONSTITUTES AND APPOINTS TRUSTEE AS THE PROXY AND ATTORNEY-IN-FACT OF PLEDGOR WITH RESPECT TO THE PLEDGED COLLATERAL, INCLUDING THE RIGHT TO VOTE THE PLEDGED SHARES, WITH FULL POWER OF SUBSTITUTION TO DO SO. THE APPOINTMENT OF TRUSTEE AS PROXY AND ATTORNEY-IN-FACT IS COUPLED WITH AN INTEREST AND SHALL BE IRREVOCABLE UNTIL THE TERMINATION DATE. IN ADDITION TO THE RIGHT TO VOTE THE PLEDGED SHARES, THE APPOINTMENT OF TRUSTEE AS PROXY AND ATTORNEY-IN-FACT SHALL INCLUDE THE RIGHT TO EXERCISE ALL OTHER RIGHTS, POWERS, PRIVILEGES AND REMEDIES TO WHICH A HOLDER OF THE PLEDGED SHARES WOULD BE ENTITLED (INCLUDING GIVING OR WITHHOLDING WRITTEN CONSENTS OF SHAREHOLDERS, CALLING SPECIAL MEETINGS OF SHAREHOLDERS AND VOTING AT SUCH MEETINGS). SUCH PROXY AND APPOINTMENT AS ATTORNEY-IN-FACT SHALL BE EFFECTIVE, AUTOMATICALLY AND WITHOUT THE NECESSITY OF ANY ACTION (INCLUDING ANY TRANSFER OF ANY PLEDGED SHARES ON THE RECORD BOOKS OF THE ISSUER THEREOF) BY ANY PERSON (INCLUDING THE ISSUER OF THE PLEDGED SHARES OR ANY OFFICER OR AGENT THEREOF), UPON THE OCCURRENCE AND DURING THE CONTINUANCE OF AN EVENT OF DEFAULT SUBJECT TO THE TERMS AND CONDITIONS HEREOF. NOTWITHSTANDING THE FOREGOING, TRUSTEE SHALL NOT HAVE ANY DUTY TO EXERCISE ANY SUCH RIGHT OR TO PRESERVE THE SAME AND SHALL NOT BE LIABLE FOR ANY FAILURE TO DO SO OR FOR ANY DELAY IN DOING SO.

(b) If, at the original time or times appointed for the sale of the whole or any part of the Pledged Collateral, the highest bid, if there be but one sale, shall be inadequate to discharge in full all the Secured Obligations, or if the Pledged Collateral be offered for sale in lots, if at any of such sales, the highest bid for the lot offered for sale would indicate to Trustee, in its discretion, that the proceeds of the sales of the whole of the Pledged Collateral would be unlikely to be sufficient to discharge all the Secured Obligations, Trustee may, on one or more occasions and in its discretion, postpone any of said sales by public announcement at the time of sale or the time of previous postponement of sale, and no other notice of such postponement or postponements of sale need be given, any other notice being hereby waived.

(c) If, at any time when Trustee shall determine to exercise its right to sell the whole or any part of the Pledged Collateral hereunder, such Pledged Collateral or the part thereof to be sold shall not, for any reason whatsoever, be effectively registered under the Act, Trustee may, in its discretion, sell such Pledged Collateral or part thereof by private sale in such manner and under such circumstances as Trustee may deem necessary or advisable, and shall not be required to effect such registration or to cause the same to be effected. Without limiting the generality of the foregoing, in any such event, Trustee in its discretion (x) may, in accordance with applicable securities laws, proceed to make such private sale notwithstanding that a registration statement for the purpose of registering such Pledged Collateral or part thereof could be or shall have been filed under said Act (or similar statute), (y) may approach and negotiate with a single possible purchaser to effect such sale, and (z) may restrict such sale to a purchaser who is an accredited investor under the Act and who will represent and agree that such purchaser is purchasing for its own account, for investment and not with a view to the distribution or sale of such Pledged Collateral or any part thereof. In addition to a private sale as provided above in this Section 8, if any of the Pledged Collateral shall not be freely distributable to the public without registration under the Act (or similar statute) at the time of any proposed sale pursuant to this Section 8, then Trustee shall not be required to effect such registration or cause the same to be effected but, in its discretion, may require that any sale hereunder (including a sale at auction) be conducted subject to restrictions:

(i) as to the financial sophistication and ability of any Person permitted to bid or purchase at any such sale;

(ii) as to the content of legends to be placed upon any certificates representing the Pledged Collateral sold in such sale, including restrictions on future transfer thereof;

(iii) as to the representations required to be made by each Person bidding or purchasing at such sale relating to that Person's access to financial information about Pledgor and such Person's intentions as to the holding of the Pledged Collateral so sold for investment for its own account and not with a view to the distribution thereof; and

(iv) as to such other matters as Trustee may, in its discretion, deem necessary or appropriate in order that such sale (notwithstanding any failure so to register) may be effected in compliance with the Bankruptcy Code and other laws affecting the enforcement of creditors' rights and the Act, and all applicable state securities laws, rules and regulations.

(d) Pledgor recognizes that Trustee may be unable to effect a public sale of any or all the Pledged Collateral and may be compelled to resort to one or more private sales thereof in accordance with clause (c) above. Pledgor also acknowledges that any such private sale may result in prices and other terms less favorable than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall not be deemed to have been made in a commercially unreasonable manner solely by virtue of such sale being private. Trustee shall be under no obligation to delay a sale of any of the Pledged Collateral for the period of time necessary to permit the Pledged Entity to register such securities for public sale under the Act, or under applicable state securities laws, even if Pledgor and the Pledged Entity would agree to do so.

(e) Pledgor agrees to the maximum extent permitted by applicable law that following the occurrence and during the continuance of a Default or an Event of Default it will not at any time plead, claim or take the benefit of any appraisal, valuation, stay, extension, moratorium or redemption law now or hereafter in force in order to prevent or delay the enforcement of this Agreement, or the absolute sale of the whole or any part of the Pledged Collateral or the possession thereof by any purchaser at any sale hereunder, and Pledgor waives the benefit of all such laws to the extent it lawfully may do so. Pledgor agrees that it will not interfere with any right, power and remedy of Trustee provided for in this Agreement or now or hereafter existing at law or in equity or by statute or otherwise, or the exercise or beginning of the exercise by Trustee of any one or more of such rights, powers or remedies. No failure or delay on the part of Trustee to exercise any such right, power or remedy and no notice or demand which may be given to or made upon Pledgor by Trustee with respect to any such remedies shall operate as a waiver thereof, or limit or impair Trustee's right to take any action or to exercise any power or remedy hereunder, without notice or demand, or prejudice its rights as against Pledgor in any respect.

(f) Pledgor further agrees that a breach of any of the covenants contained in this Section 8 will cause irreparable injury to Trustee, that Trustee shall have no adequate remedy at law in respect of such breach and, as a consequence, agrees that each and every covenant contained in this Section 8 shall be specifically enforceable against Pledgor, and Pledgor hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants except for (i) a defense that the Secured Obligations are not then due and payable in accordance with the Notes, the Indenture and any other agreements and instruments governing and evidencing such obligations, or (ii) a defense that no Default or Event of Default has occurred and is continuing.

10. Waiver. No delay on Trustee's part in exercising any power of sale or other right hereunder, and no notice or demand which may be given to or made upon Pledgor by Trustee with respect to any power of sale or other right hereunder, shall constitute a waiver thereof, or limit or impair Trustee's right to take any action or to exercise any power of sale or any other right hereunder, without notice or demand, or prejudice Trustee's rights as against Pledgor in any respect.

11. Assignment. Trustee may assign, endorse or transfer any instrument evidencing all or any part of the Secured Obligations as provided in, and in accordance with, the Indenture, and the holder of such instrument shall be entitled to the benefits of this Agreement.

12. Termination. Upon satisfaction and discharge of the Indenture pursuant to Article Eleven thereof and repayment in full of all Secured Obligations (other than contingent indemnity obligations), this Agreement shall automatically terminate, except for the provisions hereof that are expressly stated to survive such termination, and Trustee shall promptly at Pledgor's expense deliver to Pledgor the Pledged Collateral held by Trustee at the time and all instruments of assignment executed in connection therewith, along with such other documents evidencing such termination as the Pledgor may reasonably request (including UCC terminations), free and clear of the liens and security interests hereof and, except as otherwise provided herein, all of Pledgor's obligations hereunder shall at such time terminate.

13. Lien Absolute. All rights of Trustee hereunder, and all obligations of Pledgor hereunder, shall be absolute and unconditional irrespective of:

(a) any lack of validity or enforceability of the Indenture or any other agreement or instrument governing or evidencing any Secured Obligations;

(b) any change in the time, manner or place of payment of, or in any other term of, all or any part of the Secured Obligations, or any other amendment or waiver of or any consent to any departure from the Indenture or any other agreement or instrument governing or evidencing any Secured Obligations;

(c) any exchange, release or non-perfection of any other Collateral, or any release or amendment or waiver of or consent to departure from any guaranty, for all or any of the Secured Obligations;

(d) the insolvency of Pledgor or any Subsidiary; or

(e) any other circumstance which might otherwise constitute a defense available to, or a discharge of, Pledgor other than the payment and performance in full of the Secured Obligations.

14. Release. Pledgor consents and agrees that Trustee may at any time, or from time to time, in its reasonable discretion:

(a) to the extent permitted by the Indenture, renew, extend or change the time of payment, and/or the manner, place or terms of payment of all or any part of the Secured Obligations; and

(b) to the extent permitted by the Indenture, exchange, release and/or surrender all or any of the Pledged Collateral, or any part thereof, which is now or may hereafter be held by Trustee in connection with all or any of the Secured Obligations; all in such manner and upon such terms as Trustee may deem proper, and without notice to or further assent from Pledgor, it being hereby agreed that Pledgor shall be and remain bound upon this Agreement, irrespective of the value or condition of any of the Pledged Collateral, and notwithstanding any such change, exchange, settlement, compromise, surrender, release, renewal or extension, and notwithstanding also that the Secured Obligations may, at any time, exceed the aggregate principal amount thereof set forth in the Indenture, or any other agreement governing any Secured Obligations. Pledgor hereby waives notice of acceptance of this Agreement, and also presentment, demand, protest and notice of dishonor of any and all of the Secured Obligations, and promptness in commencing suit against any party hereto or liable hereon, and in giving any notice to or of making any claim or demand hereunder upon Pledgor. No act or omission of any kind on Trustee's part shall in any event affect or impair this Agreement.

15. Reinstatement. This Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against Pledgor or any Pledged Entity for liquidation or reorganization, should Pledgor or any Pledged Entity become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of Pledgor's or a Pledged Entity's assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Secured Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Secured Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Secured Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

16. Miscellaneous.

(a) Trustee may execute any of its duties hereunder by or through agents or employees and shall be entitled to advice of counsel concerning all matters pertaining to its duties hereunder.

(b) Pledgor agrees to promptly reimburse Trustee for actual expenses, including, without limitation, reasonable counsel fees incurred by Trustee in connection with the administration and enforcement of this Agreement.

(c) Neither Trustee, nor any of its respective officers, directors, employees, agents or counsel shall be liable for any action lawfully taken or omitted to be taken by it or them hereunder or in connection herewith, except for its or their own gross negligence or willful misconduct as finally determined by a court of competent jurisdiction.

(d) This Agreement shall be binding upon Pledgor and its successors and assigns (including a debtor-in-possession on behalf of Pledgor), and shall inure to the benefit of, and be enforceable by, Trustee and its successors and assigns.

(e) None of the terms or provisions of this Agreement may be waived, altered, modified or amended except in writing duly signed for and on behalf of Trustee and Pledgor.

17. GOVERNING LAW; JURISDICTION; CONSTRUCTION. THIS AGREEMENT SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES. PLEDGOR HEREBY CONSENTS TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED WITHIN THE COUNTY OF DALLAS, STATE OF TEXAS AND IRREVOCABLY AGREES THAT, SUBJECT TO TRUSTEE'S ELECTION, ALL ACTIONS OR PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE INDENTURE SHALL BE LITIGATED IN SUCH COURTS. PLEDGOR EXPRESSLY SUBMITS AND CONSENTS TO THE JURISDICTION OF THE AFORESAID COURTS AND WAIVES ANY DEFENSE OF FORUM NON CONVENIENS. PLEDGOR HEREBY WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS AND AGREES THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE UPON PLEDGOR BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED, ADDRESSED TO PLEDGOR PURSUANT TO SECTION 18 HEREOF, AND SERVICE SO MADE SHALL BE COMPLETE TEN (10) DAYS AFTER THE SAME HAS BEEN POSTED. PLEDGOR ACKNOWLEDGES THAT PLEDGOR PARTICIPATED IN THE NEGOTIATION AND DRAFTING OF THIS AGREEMENT AND THAT, ACCORDINGLY, PLEDGOR SHALL NOT MOVE OR PETITION A COURT CONSTRUING THIS AGREEMENT TO CONSTRUE IT MORE STRINGENTLY AGAINST ONE PARTY THAN AGAINST ANY OTHER.

18. Severability. If for any reason any provision or provisions hereof are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid.

19. Notices. Except as otherwise provided herein, whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other party, or whenever any of the parties desires to give or serve upon any other a communication with respect to this Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in accordance with the terms of Section 10.3 of the Indenture.

20. Section Titles. The section titles contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto.

21. Counterparts. This Agreement may be executed in any number of counterparts, which shall, collectively and separately, constitute one agreement.

22. Benefit of Trustee. All security interests granted or contemplated hereby shall be for the benefit of Trustee and the Holders, and all proceeds or payments realized from the Pledged Collateral in accordance herewith shall be applied to the Secured Obligations in accordance with the terms of the Indenture.

23. ENTIRE AGREEMENT. THIS AGREEMENT, TOGETHER WITH THE INDENTURE, REPRESENTS THE ENTIRE, FINAL AGREEMENT AND UNDERSTANDING CONCERNING THE SUBJECT MATTER HEREOF AND THEREOF BETWEEN THE PARTIES HERETO, AND SUPERSEDES ALL OTHER PRIOR AGREEMENTS, UNDERSTANDINGS, NEGOTIATIONS AND DISCUSSIONS, REPRESENTATIONS, WARRANTIES, COMMITMENTS, PROPOSALS, OFFERS AND CONTRACTS CONCERNING THE SUBJECT MATTER HEREOF, WHETHER ORAL OR WRITTEN. THIS AGREEMENT, THE INDENTURE, ANY SUPPLEMENTS HERETO OR THERETO, AND ANY INSTRUMENTS OR DOCUMENTS DELIVERED OR TO BE DELIVERED IN CONNECTION HEREWITH OR THEREWITH MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES HERETO. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES HERETO. IN THE EVENT OF ANY INCONSISTENCY BETWEEN THE TERMS OF THIS AGREEMENT AND ANY SCHEDULE OR EXHIBIT HERETO, THE TERMS OF THIS AGREEMENT SHALL GOVERN.

24. Survival. It is the express intention and agreement of the parties hereto that all covenants, representations, warranties, waivers, and indemnities made by the Pledgor herein shall survive the execution, delivery, and termination of this Agreement until all Secured Obligations (other than contingent indemnification obligations) are performed in full, indefeasibly paid in full in cash, and the Indenture has been satisfied and discharged in accordance with Article Eleven thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first written above.

PLEDGOR:

RAVE RESTAURANT GROUP, INC.

By: _____
Name: _____
Title: _____

TRUSTEE:

SECURITIES TRANSFER CORPORATION
as Trustee under the Indenture

By: _____
Name: _____
Title: _____

SCHEDULE I

PLEDGED SHARES

Pledged Entity	Class of Capital Stock or other Equity Securities	Certificate No.	No. of Shares	Percentage of Outstanding Shares
Pie Five Pizza Company, Inc.	Common	002	1,000	100%
Pizza Inn, Inc.	Common	101	1,000	100%

ACKNOWLEDGEMENT

The undersigned hereby acknowledges receipt of a copy of the foregoing Pledge Agreement, agrees to the terms of, and agrees to be bound by, the Pledge Agreement and to promptly note on its books and records the security interests granted under such Pledge Agreement, and waives any rights or requirement at any time hereafter to receive a copy of such Pledge Agreement in connection with the registration of any of the Pledged Collateral in the name of Trustee or its nominee or the exercise of voting rights by Trustee, and, after written notice from Trustee that an Event of Default has occurred, agrees, that in acting upon the instructions of Trustee, it will not require the further consent of, or seek further instruction from, Pledgor at any time.

The undersigned further agrees that notwithstanding anything to the contrary contained in the Bylaws or other similar governing documents (the "Bylaws") of PIE FIVE PIZZA COMPANY, INC., a Texas corporation, Trustee shall have the right to exercise all voting rights in the Pledged Shares by reason of a foreclosure of such pledge or any other enforcement of Trustee's rights in accordance with the foregoing Pledge Agreement. The undersigned further waives any other provisions of the Bylaws that conflict with the execution, delivery and performance by the Pledgor of the Pledge Agreement. The undersigned agrees to comply from time to time with any reasonable request made by the Pledgor in accordance with the requirements of the Pledge Agreement.

Dated: _____, 2017.

ACKNOWLEDGED AND AGREED:

PIE FIVE PIZZA COMPANY, INC.

By: _____
Name: _____
Title: _____

ACKNOWLEDGEMENT

The undersigned hereby acknowledges receipt of a copy of the foregoing Pledge Agreement, agrees to the terms of, and agrees to be bound by, the Pledge Agreement and to promptly note on its books and records the security interests granted under such Pledge Agreement, and waives any rights or requirement at any time hereafter to receive a copy of such Pledge Agreement in connection with the registration of any of the Pledged Collateral in the name of Trustee or its nominee or the exercise of voting rights by Trustee, and, after written notice from Trustee that an Event of Default has occurred, agrees, that in acting upon the instructions of Trustee, it will not require the further consent of, or seek further instruction from, Pledgor at any time.

The undersigned further agrees that notwithstanding anything to the contrary contained in the Bylaws or other similar governing documents (the "Bylaws") of PIZZA INN, INC., a Missouri corporation, Trustee shall have the right to exercise all voting rights in the Pledged Shares by reason of a foreclosure of such pledge or any other enforcement of Trustee's rights in accordance with the foregoing Pledge Agreement. The undersigned further waives any other provisions of the Bylaws that conflict with the execution, delivery and performance by the Pledgor of the Pledge Agreement. The undersigned agrees to comply from time to time with any reasonable request made by the Pledgor in accordance with the requirements of the Pledge Agreement.

Dated: _____, 2017.

ACKNOWLEDGED AND AGREED:

PIZZA INN, INC.

By: _____
Name: _____
Title: _____

Exhibit 5.1

McGuire, Craddock & Strother, P.C.
Attorneys And Counselors
2501 N. Harwood
Suite 1800
Dallas, Texas 75201
Telephone (214) 954-6800
Telecopier (214) 954-6868

January 6, 2017

Rave Restaurant Group, Inc.
3551 Plano Parkway
Suite 1000
The Colony, Texas 75056

Re: Form S-3 Registration Statement

Gentlemen:

We have acted as counsel to Rave Restaurant Group, Inc., a Missouri corporation (the "Company"), in connection with its filing of a registration statement on Form S-3 (as amended or supplemented, the "Registration Statement") with the Securities and Exchange Commission (the "SEC") pursuant to the Securities Act of 1933, as amended (the "Securities Act"), relating to the offering and sale of up to $3,000,000 aggregate principal amount of the Company's 4% Convertible Senior Notes due 2022, par value $100 each (the "Notes") issuable upon the exercise of outstanding subscription rights (the "Rights"), as well shares (the "Shares") of its common stock, $0.01 par value per share (the "Common Stock"), into which such Notes are convertible. This letter is being delivered to you pursuant to the requirements of Item 601(b)(5) of Regulation S-K in connection with the Registration Statement.

In connection with this opinion, we have examined the Company's Articles of Incorporation and By-Laws, the Registration Statement and such other documents as we have considered appropriate for purposes of this opinion. We have also examined the form of Indenture between the Company and Securities Transfer Corporation, as trustee, included as Exhibit 4.1 to the Registration Statement (as amended or supplemented, the "Indenture") with respect to the Notes. We have relied, without independent verification, on certificates of public officials and, as to matters of fact material to our opinion, on certificates and other inquiries of officers of the Company.

We have also reviewed such other matters of law and examined and relied upon such other documents, records and certificates as we have deemed relevant hereto. In all such examinations we have assumed conformity with the original documents of all documents submitted to us as conformed or photostatic copies, the authenticity of all documents submitted to us as originals and the genuineness of all signatures on all documents submitted to us.

Based on the foregoing, we are of the opinion that:

(a) The sale and issuance of the Notes upon due exercise of the Rights, and the issuance of Shares upon conversion of the Notes in accordance with the Indenture, have been duly authorized;

(b) When (i) the Registration Statement has become effective under the Securities Act, (ii) the holders of the Rights have complied with the terms of the Rights in connection with the exercise thereof, (iii) the Indenture has been duly authorized, executed and delivered by the parties thereto, and (iv) the Notes have been duly executed, authenticated, issued and delivered pursuant to the terms of the Indenture, then Notes will be the legal, valid and binding obligations of the Company subject to and entitled to the benefits of the Indenture;

(c) When (i) the Notes have been converted to Shares pursuant to the terms of the Indenture, (ii) certificates representing such Shares have been manually signed by an authorized officer of the transfer agent and registrar for the Common Stock and registered by such transfer agent and registrar, and (iii) such Shares have been delivered to the holder of the converted Note in accordance with the Indenture, then such Shares will be validly issued, fully paid and non-assessable.

The opinions expressed herein are subject to, qualified and limited by (i) applicable bankruptcy, insolvency, fraudulent transfer and conveyance, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, (ii) general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity), (iii) commercial reasonableness and unconscionability and any implied covenant of good faith and fair dealing, (iv) the power of courts to award damages in lieu of equitable remedies, and (v) securities laws and public policy underlying such laws with respect to rights to indemnification and contribution.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference made to our firm under the caption "Legal Matters" in the prospectus constituting part of the Registration Statement. In giving such consent, we do not hereby admit that we are within the category of persons whose consent is required by the Securities Act or the rules and regulations of the SEC promulgated thereunder.

Very truly yours,

/s/ MCGUIRE, CRADDOCK & STROTHER, P.C.