As filed with the Securities and Exchange Commission on May 21, 2020

Registration No. 333-236211

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

FRANCHISE GROUP, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**27-3561876**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

1716 Corporate Landing Parkway
Virginia Beach, Virginia 23454
(757) 493-8855
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Tiffany McMillan-McWaters, Esq.
Assistant General Counsel
1716 Corporate Landing Parkway
Virginia Beach, Virginia 23454
(757) 493-8855
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copies to:

David W. Ghegan, Esq.
Troutman Sanders LLP
600 Peachtree Street, NE
Suite 3000
Atlanta, Georgia 30308
(404) 885-3000

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 filed 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, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 under the Securities Exchange Act of 1934:

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☐

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 that specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	**Amount to be Registered**	**Proposed Maximum Offering Price per Security**	**Proposed Maximum Aggregate Offering Price**	**Amount of Registration Fee**
Primary Offering				—
Common stock, $0.01 par value per share	(1)	(2)		
Preferred Stock	(1)	(2)		
Warrants	(1)	(2)		
Rights	(1)	(2)		
Units	(1)	(2)		
Debt Securities	(1)	(2)		—
Total Primary Offering	(1)	(2)	$300,000,000.00	$38,940(3)
Secondary Offering				—
Common stock, $0.01 par value per share	26,825,951.18(4)	$13.42	$360,004,264.84(5)	$8,898(5)(6)
Total Registration Fee				$47,838

(1) With respect to the primary offering, this registration statement registers such indeterminate number of shares of common stock and preferred stock, and such indeterminate number of warrants or rights to purchase common stock or preferred stock, and such indeterminate number of units and debt securities as shall have an aggregate initial offering price not to exceed $300 million or the equivalent in foreign currencies. Any securities registered hereunder may be sold separately or as units with other securities registered hereunder. The securities registered also include such indeterminate number of shares of common stock and preferred stock as may be issued upon conversion, exchange or exercise of debt securities, preferred stock, warrants or rights or pursuant to the antidilution provisions of any such securities. In addition, pursuant to Rule 416 under the Securities Act of 1933, as amended (the "Securities Act"), the shares being registered hereunder include such indeterminate number of shares of common stock as may be issuable with respect to the securities being registered hereunder as a result of stock splits, stock dividends or similar transactions.

(2) The proposed maximum aggregate offering price per class of security will be determined from time to time by the registrant in connection with the issuance by the registrant of the securities registered hereunder and is not specified as to each class of security pursuant to General Instruction II.D. of Form S-3 under the Securities Act.

(3) Calculated pursuant to Rule 457(o) of the Securities Act, based on the proposed maximum aggregate offering price.

(4) This registration statement also relates to an indeterminate number of additional shares of common stock which may be issued with respect to such shares of common stock by way of stock splits, stock dividends or similar transactions.

(5) Pursuant to Rule 457(c) under the Securities Act, and solely for the purpose of calculating the registration fee, the proposed maximum offering price per share is $13.42, which is the average of the high and low prices of the common stock as reported on The NASDAQ Global Market on May 19, 2020, which date is within five business days prior to filing this registration statement.

(6) The registrant previously paid a registration fee in the amount of $58,268.38 in connection with the initial filing of this registration statement on January 31, 2020. The initial filing of this registration statement was for the registration of 21,717,898 shares of the registrant's common stock. This pre-effective amendment of the registration statement is being filed to, among other things, register an additional 5,108,053.18 shares of the registrant's common stock. Pursuant to Rule 457(a) of the Securities Act, an additional filing fee of $8,898, computed on the basis of the proposed maximum offering price of the additional securities, is being paid in connection herewith. The proposed maximum offering price of the additional securities being registered hereon has been calculated in accordance with Rule 457(c) under the Securities Act.

The information in this preliminary prospectus is not complete and may be changed. Neither we nor the selling stockholders may sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION—DATED MAY 21, 2020

PROSPECTUS

FRANCHISE GROUP, INC.

$300,000,000
Common Stock
Preferred Stock
Warrants
Rights
Units
Debt Securities

26,825,951.18 Shares of Common Stock Offered by the Selling Stockholders

We may offer and sell up to $300 million in the aggregate of the securities identified above, and the selling stockholders named in this prospectus (the "Selling Stockholders") may offer and sell up to 26,825,951.18 shares of our common stock. This prospectus provides you with a general description of the securities we and the Selling Stockholders may offer.

Pursuant to the Kayne Subscription Agreement (as defined below), certain of the shares of common stock offered by the Selling Stockholders are subject to a six-month lockup period which expires on August 14, 2020, and the filing of the registration statement of which this prospectus forms a part does not constitute a waiver of such restrictions.

We are registering the offer and sale of the shares of our common stock by the Selling Stockholders to satisfy registration rights we have granted to certain of the Selling Stockholders pursuant to registration rights agreements more fully described in this prospectus under "*Description of Capital Stock*." We will not receive any proceeds from the sale of shares of common stock by the Selling Stockholders pursuant to this prospectus.

Our registration of the shares of common stock held by the Selling Stockholders that are covered by this prospectus does not mean that the Selling Stockholders will offer or sell any of their shares of common stock. The Selling Stockholders may sell their shares of common stock covered by this prospectus in a number of different ways and at varying prices. We provide more information about how the Selling Stockholders may sell their shares in the section entitled "*Plan of Distribution*."

Each time we or any of the Selling Stockholders offer and sell securities, we or such Selling Stockholders will provide a supplement to this prospectus, if required, that contains specific information about the offering, as well as the amounts, prices and terms of the securities. The supplement may also add, update or change information contained in this prospectus with respect to that offering. You should carefully read this prospectus and the applicable prospectus supplement before you invest in any of our securities.

We may offer and sell the securities described in this prospectus and any prospectus supplement to or through one or more underwriters, dealers and agents, or directly to purchasers, or through a combination of these methods. In addition, the Selling Stockholders may offer and sell their shares of our common stock from time to time, together or separately. If any underwriters, dealers or agents are involved in the sale of any of the securities, their names and any applicable purchase price, fee, commission or discount arrangement between or among them will be set forth, or will be calculable from the information set forth, in the applicable prospectus supplement. See the sections of this prospectus entitled "*About this Prospectus*" and "*Plan of Distribution*" for more information. No securities may be sold under this prospectus without delivery of this prospectus and the applicable prospectus supplement describing the method and terms of the offering of such securities.

Our common stock is traded on The NASDAQ Global Market, or Nasdaq, under the symbol "FRG". On May 20, 2020, the closing price of our common stock was $14.59.

See the section entitled "*Risk Factors*" beginning on page 7 of this prospectus to read about factors you should consider before buying our securities.

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 , 2020.

Table of Contents

You should rely only on the information provided in this prospectus, as well as the information incorporated by reference into this prospectus and any applicable prospectus supplement. Neither we nor the Selling Stockholders have authorized anyone to provide you with different information. Neither we nor the Selling Stockholders are making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information in this prospectus, any applicable prospectus supplement or any documents incorporated by reference is accurate as of any date other than the date of the applicable document. Since the respective dates of this prospectus and the documents incorporated by reference into this prospectus, our business, financial condition, results of operations and prospects may have changed.

Unless the context indicates otherwise or as otherwise expressly stated, references in this prospectus to the “Company,” “Franchise Group,” “we,” “us,” “our” and similar terms refer to Franchise Group, Inc. and its subsidiaries and references in this prospectus to “common stock,” “our common stock,” “shares of common stock” and similar terms refer to shares of common stock of Franchise Group, Inc.

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement on Form S-3 that we filed with the Securities and Exchange Commission (the "SEC") using the "shelf" registration process. Under this shelf registration process, we may sell securities from time to time and in one or more offerings up to an aggregate amount of $300 million and the Selling Stockholders may, from time to time, sell the securities offered by them described in this prospectus. We will not receive any proceeds from the sale by such Selling Stockholders of the securities offered by them described in this prospectus.

Each time we or any of the Selling Stockholders offer and sell securities using this prospectus, we or such Selling Stockholders will provide a supplement to this prospectus, if required, that contains specific information about the offering, as well as the amounts, prices and terms of the securities. The supplement may also add, update or change information contained in this prospectus with respect to that offering. You should read both this prospectus and any applicable prospectus supplement together with the additional information to which we refer you in the sections of this prospectus entitled "*Where You Can Find More Information*" and "*Documents Incorporated By Reference*."

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, any accompanying prospectus supplement and the documents incorporated by reference herein and therein may contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 concerning our business, operations, financial performance, and condition, as well as our plans, objectives, and expectations for our business operations and financial performance and condition. Any statements contained herein that are not of historical facts may be deemed to be forward-looking statements. You can identify these statements by words such as "aim," "anticipate," "assume," "believe," "could," "due," "estimate," "expect," "goal," "intend," "may," "objective," "plan," "predict," "potential," "positioned," "should," "target," "will," "would" and other similar expressions that are predictions of or indicate future events and future trends. These forward-looking statements are based on current expectations, estimates, forecasts, projections about our business and the industry in which we operate, and our management's beliefs and assumptions. They are not guarantees of future performance or development and involve known and unknown risks, uncertainties, and other factors that are in some cases beyond our control. As a result, any or all of our forward-looking statements in this prospectus, any accompanying prospectus supplement and the documents incorporated by reference herein and therein may turn out to be inaccurate or could cause our actual results to differ materially from historical results or from any results expressed or implied by such forward-looking statements. Factors that may cause such differences include, but are not limited to, the risks described under "Item 1A—Risk Factors" in our Transition Report on Form 10-K/T for the transition period ended December 28, 2019 and other filings with the SEC, including:

- the possibility that any of the anticipated benefits of our acquisitions will not be realized or will not be realized within the expected time period; our businesses, our Liberty Tax segment, our Buddy's segment, our American Freight segment, our Vitamin Shoppe segment or American Freight (as defined below) may not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected; revenues following any of our acquisitions may be lower than expected; or completing our acquisitions on the expected timeframe may be more difficult, time-consuming or costly than expected;
- our inability to grow on a sustainable basis;
- changes in operating costs, including employee compensation and benefits;
- the seasonality of our business segments;
- departures of key executives or directors;
- our ability to attract additional talent to our senior management team;

- our ability to maintain an active trading market for our common stock on Nasdaq;
- our inability to secure reliable sources of the tax settlement products we make available to our customers;
- government regulation and oversight over our products and services;
- our ability to comply with the terms of the settlement with the Department of Justice and Internal Revenue Service;
- government initiatives that simplify tax return preparation, improve the timing and efficiency of processing tax returns, limit payments to tax preparers, or decrease the number of tax returns filed or the size of the refunds;
- government initiatives to pre-populate income tax returns;
- the effect of regulation of the products and services that we offer, including changes in laws and regulations and the costs and administrative burdens associated with complying with such laws and regulations;
- the possible characterization of refund transfers as a form of loan or extension of credit;
- changes in the tax settlement products offered to our customers that make our services less attractive to customers or more costly to us;
- our ability to maintain relationships with third-party product and service providers;
- our ability to offer merchandise and services that our customers demand;
- our ability to successfully manage our inventory levels and implement initiatives to improve inventory management and other capabilities;
- competitive conditions in the retail industry;
- the performance of our products within the prevailing retail industry;
- worldwide economic conditions and business uncertainty, the availability of consumer and commercial credit, change in consumer confidence, tastes, preferences and spending, and changes in vendor relationships;
- the risk that natural disasters, public health crises, political uprisings, uncertainty or unrest, or other catastrophic events could adversely affect our operations and financial results, including the impact of the coronavirus (COVID-19) outbreak on manufacturing operations and our supply chain, customer traffic and our operations in general;
- the impact of the coronavirus (COVID-19) and the related government mitigation efforts on our business and our financial results;
- disruption of manufacturing, warehouse or distribution facilities or information systems;
- the continued reduction of our competitors' promotional pricing on new-in-box appliances, potentially adversely impacting our sales of out-of-box appliances and associated margin;
- any potential non-compliance, fraud or other misconduct by our franchisees or employees;

- our ability and the ability of our franchisees to comply with legal and regulatory requirements;
- failures by our franchisees and their employees to comply with their contractual obligations to us and with laws and regulations, to the extent these failures affect our reputation or subject us to legal risk;
- the ability of our franchisees to open new territories and operate them successfully;
- the availability of suitable store locations at appropriate lease terms;
- the ability of our franchisees to generate sufficient revenue to repay their indebtedness to us;
- our ability to manage Company-owned offices;
- our exposure to litigation and any governmental investigations;
- our ability and our franchisees' ability to protect customers' personal information, including from a cyber-security incident;
- the impact of identity-theft concerns on customer attitudes toward our services;
- our ability to access the credit markets and satisfy our covenants to lenders;
- challenges in deploying accurate tax software in a timely way each tax season;
- delays in the commencement of the tax season attributable to Congressional action affecting tax matters and the resulting inability of federal and state tax agencies to accept tax returns on a timely basis, or other changes that have the effect of delaying the tax refund cycle;
- competition in the tax preparation market;
- the effect of federal and state legislation that affects the demand for paid tax preparation, such as the Affordable Care Act and potential immigration reform;
- our reliance on technology systems and electronic communications;
- our ability to effectively deploy software in a timely manner and with all the features our customers require;
- the impact of any acquisitions or dispositions, including our ability to integrate acquisitions and capitalize on their anticipated synergies;
- our ability to obtain payment for net working capital adjustments in connection with any of our acquisitions; and
- other factors, including the risk factors discussed in this prospectus.

You are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on the forward-looking statements. These forward-looking statements speak only as of the date hereof. Unless required by law, we do not intend to publicly update or revise any forward-looking statements to reflect new information or future events or otherwise. You should, however, review the factors and risks we describe in the reports we will file from time to time with the SEC after the date of this prospectus.

THE COMPANY

We are a franchisor, operator and acquiror of franchised and franchisable businesses that we believe we can scale using our operating expertise. On July 10, 2019, we formed Franchise Group New Holdco, LLC which holds all of our operating subsidiaries. Our stores and franchises operate under the names of Liberty Tax, Buddy's Home Furnishings, American Freight and Vitamin Shoppe.

On July 10, 2019, we completed our acquisition of Buddy's Home Furnishings. On October 23, 2019, we completed our acquisition of the Sears Outlet business from Sears Hometown and Outlet Stores, Inc. On December 16, 2019, we completed our acquisition of The Vitamin Shoppe, Inc. On February 14, 2020, we completed our acquisition of American Freight Group, Inc. ("American Freight"). In February 2020, we announced our intent to combine American Freight with the Sears Outlet business and have rebranded the combined business as American Freight Appliances, Furniture and Mattress. These acquisitions have transformed us from a tax preparation business to a multi-segment operator and franchisor.

We operate in four reportable segments: Liberty Tax, Buddy's, American Freight and Vitamin Shoppe. Our Liberty Tax segment provides tax preparation services in the United States and Canada. Our Buddy's segment is a specialty retailer of high quality, name brand consumer electronics, residential furniture, appliances and household accessories through rent-to-own agreements. Our American Freight segment provides in-store and online access to purchase new, one-of-a-kind, out-of-carton, discontinued, obsolete, used, reconditioned, overstocked and scratched and dented products, collectively "outlet-value products," across a broad assortment of merchandise categories, including home appliances, mattresses, furniture and lawn and garden equipment at value-oriented prices. Our Vitamin Shoppe segment is an omni-channel specialty retailer of vitamins, minerals, herbs, specialty supplements, sports nutrition and other health and wellness products.

Recent Developments

In December 2019, a novel strain of coronavirus (COVID-19) emerged in Wuhan, China. While initially the outbreak was largely concentrated in China and caused significant disruptions to its economy, it has now spread globally, including to the United States. In March 2020, the World Health Organization declared the coronavirus a global pandemic. In an effort to mitigate the continued spread of the virus, federal, state and local governments, as well as certain private entities have mandated various restrictions, including travel restrictions, restrictions on public gatherings, closing of nonessential businesses and quarantining of people who may have been exposed or potentially exposed to the coronavirus. As a result of these restrictions, together with a general fear of the impact on the global economy and financial markets, there is significant uncertainty surrounding the potential impact on our business. While too early to quantify, we have recently experienced a negative impact on our sales and profitability. The coronavirus could continue to negatively impact our business and financial results by continuing to weaken demand for our products, interfering with our ability and our franchisees' ability to operate store locations, disrupting our supply chain or affecting our ability to raise capital from financial institutions. As events are rapidly changing, we are unable to accurately predict the impact that the coronavirus will have on our results of operations due to uncertainties including, but not limited to, the duration of shutdowns, quarantines and travel restrictions, the ultimate geographical spread of the virus, the severity of the disease, the duration of the outbreak and the public's response to the outbreak.

Background

On July 10, 2019, we entered into and completed certain transactions contemplated by an Agreement of Merger and Business Combination Agreement with Buddy's Newco, LLC ("Buddy's"), Franchise Group New Holdco, LLC, our direct subsidiary ("New Holdco"), Franchise Group B Merger Sub, LLC, a wholly-owned indirect subsidiary of New Holdco ("B Merger Sub") and Vintage RTO, L.P., solely in its capacity as the representative of the former holders of common units of Buddy's (the "Buddy's Members"), to acquire Buddy's by way of a merger of B Merger Sub with and into Buddy's, with Buddy's continuing as the surviving entity in the merger and as a wholly-owned indirect subsidiary of New Holdco (the "Buddy's Acquisition"). At the completion of the Buddy's Acquisition, each common unit of Buddy's outstanding immediately prior to the completion of the Buddy's Acquisition was exchanged for 0.091863 shares of our voting, non-economic preferred stock (the "Voting Non-Economic Preferred Stock") and 0.459315 common units of New Holdco (the "New Holdco Units"). Each of the New Holdco Units held by the Buddy's Members was, together with one-fifth of a share of Voting Non-Economic Preferred Stock held by the Buddy's Members, redeemable in exchange for one share of our common stock pursuant to the Certificate of Designation for the Voting Non-Economic Preferred Stock (as amended and together with any certificate of increase adopted or approved in respect thereof, the "Certificate of Designation") and the First Amended and Restated Limited Liability Company Agreement of New Holdco (as amended, the "New Holdco LLC Agreement") after an initial six-month lockup period following their issuance, which has expired.

In addition, concurrently with the completion of the Buddy's Acquisition, we entered into a registration rights agreement with certain investors (as amended, the "Vintage Registration Rights Agreement"). The Vintage Registration Rights Agreement provides certain of our investors and New Holdco with certain registration rights applicable to certain shares of our common stock, including shares of our common stock issued in exchange for the redemption of certain New Holdco Units and shares of Voting Non-Economic Preferred Stock as described above (collectively, the "Vintage Registrable Shares"). The Vintage Registration Rights Agreement was amended following the completion of the Buddy's Acquisition in connection with subsequent acquisitions by us or our subsidiaries to, among other things, include shares of our common stock and shares of our common stock issued in exchange for the redemption of certain New Holdco Units and shares of Voting Non-Economic Preferred Stock received by these investors in connection with such acquisitions as Vintage Registrable Shares under the Vintage Registration Rights Agreement.

On January 31, 2020, the Vintage Registration Rights Agreement was further amended, among other things, to include as Vintage Registrable Shares under the Vintage Registration Rights Agreement shares of the Company's common stock received by certain investors in the Company in connection with certain equity investments made following the prior amendment to the Vintage Registration Rights Agreement and relating to the repurchases of the VSI Convertible Notes (as defined below) in connection with the Vitamin Shoppe Merger and to update certain investor information.

As of April 1, 2020, all shares of Voting Non-Economic Preferred Stock and New Holdco Units (except for the New Holdco Units held by us) were redeemed for shares of our common stock and no shares of Voting Non-Economic Preferred Stock or New Holdco Units remained outstanding (except for the New Holdco Units held by us).

On February 7, 2020, in connection with our repurchases of The Vitamin Shoppe, Inc.'s outstanding 2.25% Convertible Senior Notes due 2020 (the "VSI Convertible Notes"), certain investors (each, an "Investor" and, collectively, the "Investors") provided us with an aggregate of approximately $65,925,422.32 of equity financing in order for Valor Acquisition, LLC, our subsidiary, to fund the repurchase or redemption of the VSI Convertible Notes and to make interest payments on the VSI Convertible Notes that were not so repurchased or redeemed until their maturity and to also fund our general, working capital and cash needs through purchases of approximately 3,877,964.65 shares of our common stock, par value $0.01 per share (the "Investor Shares"), at $12.00 per share under the Equity Commitment Letter, dated August 7, 2019, between us and Tributum, L.P. (as amended, the "Equity Commitment Letter"), and $23.00 per share in connection with a separate private placement of shares of our common stock, par value $0.01 per share (collectively, the "Equity Financing"), pursuant to certain subscription agreements (each, a "Subscription Agreement") entered into by each Investor with us. Pursuant to the Equity Commitment Letter, Tributum, L.P. assigned certain of its obligations thereunder to provide a portion of such Equity Financing to the Investors and certain other investors. In connection with the Equity Financing, we agreed to provide the Investors certain registration rights applicable to the Investor Shares.

In addition, on February 14, 2020, in connection with our acquisition of American Freight, Franchise Group Intermediate Holdco, LLC, a Delaware limited liability company ("Lead Borrower"), New Holdco and various subsidiaries of New Holdco entered into (i) a Credit Agreement (as amended by Amendment Number One to Credit Agreement, dated as of March 13, 2020, as amended by Limited Waiver, Joinder and Amendment Number Two to Credit Agreement, dated as of May 1, 2020, and as otherwise amended, restated, supplemented or otherwise modified from time to time, the "AF Credit Agreement") with various lenders from time to time party thereto (the "Term Lenders"), GACP Finance Co., LLC, as administrative agent ("Term Administrative Agent") and Kayne Solutions Fund, L.P., as collateral agent ("Term Collateral Agent") and (ii) an ABL Credit Agreement (as amended by Amendment Number One to ABL Credit Agreement, dated as of March 13, 2020, as amended by Limited Waiver and Amendment Number Two to ABL Credit Agreement, dated as of April 3, 2020, as amended by Joinder and Amendment Number Three to ABL Credit Agreement, dated as of May 1, 2020, and as otherwise amended, restated supplemented or otherwise modified from time to time, the "ABL Credit Agreement") with various lenders from time to time party thereto (the "ABL Lenders") and GACP Finance Co., LLC, as administrative agent and collateral agent (in such capacities, the "ABL Agent"). In addition, on February 14, 2020, we issued to Kayne FRG Holdings, L.P. ("Kayne FRG") 1,250,000 shares of our common stock, par value $0.01 per share (the "Kayne Subscription Shares"), pursuant to a subscription agreement (the "Kayne Subscription Agreement") entered into between Kayne FRG and us, as consideration and payment for services rendered by Kayne FRG or its affiliates to us and our affiliates in connection with the AF Credit Agreement, our acquisition of American Freight and debt financing transactions contemplated thereby. In connection with the Kayne Subscription Agreement, on February 14, 2020, we entered into a Registration Rights Agreement with Kayne FRG (the "Kayne Registration Rights Agreement"). The Kayne Registration Rights Agreement provides Kayne FRG with certain registration rights applicable to the Kayne Subscription Shares (the "Kayne Registrable Shares") upon the expiration of an initial six-month lock-up period following their issuance.

The registration statement of which this prospectus forms a part is being filed, in part, to comply with these registration obligations under the Vintage Registration Rights Agreement, the Kayne Registration Rights Agreement and our registration obligations in connection with the Equity Financing.

In addition, the registration statement of which this prospectus forms a part is being filed to provide us with the ability to issue and sell up to $300 million of our securities in primary offerings in order to provide additional funds for our general corporate purposes (as further described below under "Use of Proceeds").

Additional Information

Our principal executive offices are located at 1716 Corporate Landing Parkway, Virginia Beach, Virginia 23454. Our telephone number is (757) 493-8855. Our website address is *www.franchisegrp.com*. Information contained on our website or connected thereto does not constitute part of, and is not incorporated by reference into, this prospectus or the registration statement of which it forms a part.

RISK FACTORS

Investing in our securities involves risks. Before you make a decision to buy our securities, in addition to the risks and uncertainties discussed above under "Cautionary Note Regarding Forward-Looking Statements," you should carefully consider the specific risks set forth herein and in our most recent Transition Report on Form 10-K/T, or any updates in our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, together with all other information appearing in or incorporated by reference into such reports and this prospectus or any applicable prospectus supplement. If any of these risks actually occur, it may materially harm our business, financial condition, liquidity and results of operations. As a result, the market price of our securities could decline, and you could lose all or part of your investment. Additionally, the risks and uncertainties described in this prospectus, any prospectus supplement or in any document incorporated by reference herein or therein are not the only risks and uncertainties that we face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may become material and adversely affect our business.

Risks Related to Our Common Stock

Risks relating to our common stock include, but are not limited to, the following:

The novel strain of coronavirus (COVID-19) could have an adverse impact on our business and financial results.

In December 2019, a novel strain of coronavirus (COVID-19) emerged in Wuhan, Hubei Province, China. While initially the outbreak was largely concentrated in China and caused significant disruptions to its economy, it has now spread to several other countries and infections have been reported globally, including in the United States. In March 2020, the World Health Organization declared the coronavirus as a global pandemic. In an effort to mitigate the continued spread of the virus, federal, state and local governments, as well as certain private entities have mandated various restrictions, including travel restrictions, restrictions on public gatherings, closing of nonessential businesses and quarantining of people who may have been exposed to the coronavirus. As a result of these restrictions, together with a general fear of the impact on the global economy and financial markets, there is significant uncertainty surrounding the potential impact on our business. While too early to quantify, we have recently experienced a negative impact on our sales. The coronavirus could continue to negatively impact our business and financial results by continuing to weaken demand for our products, interfering with our ability and our franchisees' ability to operate store locations, disrupting our supply chain or affecting our ability to raise capital from financial institutions. As events are rapidly changing, we are unable to accurately predict the impact that the coronavirus will have on our results of operations due to uncertainties including, but not limited to, the duration of quarantines and other travel restrictions within China, the United States and other affected countries, the ultimate geographical spread of the virus, the severity of the disease, the duration of the outbreak and the public's response to the outbreak; however, we are actively managing our business to respond to the impact.

Our Certificate of Incorporation provides that the Court of Chancery of the State of Delaware is the exclusive forum for certain disputes between us and our stockholders, which may limit a stockholder's ability to bring a claim in a judicial forum that it finds preferable for disputes with us and our directors, officers or other employees.

Our Certificate of Incorporation provides that, unless we otherwise determine, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for any derivative action or proceeding brought on our behalf, any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders, any action asserting a claim against us arising pursuant to any provision of the Delaware General Corporation Law, our Certificate of Incorporation or Bylaws, or any action asserting a claim governed by the internal affairs doctrine. This forum selection provision does not apply to suits brought to enforce a duty or liability created by the Securities Act of 1933, as amended (the "Securities Act"), or the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or any claim for which the federal courts have exclusive jurisdiction. However, our Certificate of Incorporation does not relieve us of our duties to comply with federal securities laws and the rules and regulations thereunder, and our stockholders will not be deemed to have waived our compliance with these laws, rules and regulations.

This forum selection provision may limit a stockholder's ability to bring a claim that is not arising under the Securities Act or the Exchange Act, in a judicial forum (other than in a Delaware court) that it finds preferable for disputes with us or any of our directors, officers or other employees, which may discourage lawsuits with respect to such claims and result in increased costs for stockholders to bring a claim. If a court were to find this forum selection provision to be inapplicable or unenforceable in an action, we may incur additional costs or business interruption associated with resolving such action in other jurisdictions, which could adversely affect our business and financial condition.

Our stock price has been extremely volatile, and investors may be unable to resell their shares at or above their acquisition price or at all.

Our stock price has been, and may continue to be, subject to wide fluctuations in response to many risk factors listed in this section, and others beyond our control, including, but not limited to:

- actual or anticipated variations in our operating results from quarter to quarter;
- actual or anticipated variations in our operating results from the expectations of securities analysts and investors;
- actual or anticipated variations in our operating results from our competitors;
- fluctuations in the valuation of companies perceived by investors to be comparable to us;
- sales of common stock or other securities by us or our stockholders in the future;
- changes in expectations as to our future financial performance, including financial estimates by securities analysts and investors;
- certain non-compliance, fraud and other misconduct by our franchisees and/or employees;
- departures of key executives or directors;
- resignation of our auditors;
- announcements by us or our competitors of significant contracts, acquisitions, strategic partnerships, financing efforts or capital commitments;
- delays or other changes in our expansion plans;
- involvement in litigation or governmental investigations or enforcement activity;
- stock price and volume fluctuations attributable to inconsistent trading volume levels of our shares;
- general market conditions in our industry and the industries of our customers;
- general economic and stock market conditions;
- regulatory or political developments;
- global pandemics (such as the recent coronavirus (COVID-19) pandemic); and
- terrorist attacks or natural disasters.

Furthermore, the capital markets experience extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. These broad market and industry fluctuations, as well as general economic, political, and market conditions such as recessions, interest rate changes, or international currency fluctuations may negatively impact our stock price. Trading price fluctuations may also make it more difficult for us to use our common stock as a means to make acquisitions or to use options to purchase our common stock to attract and retain employees. If our stock price does not exceed the price at which stockholders acquired their shares, investors may not realize any return on their investment. In the past, companies that have experienced volatility in the market price of their stock have been subject to securities class-action litigation. We currently are, and may be in the future, the target of this type of litigation.

A significant portion of our outstanding shares of common stock may be sold into the market, which could adversely affect our stock price.

Although our common stock is currently quoted on Nasdaq, sales of a substantial number of shares of our common stock in the public market could occur at any time, subject to certain securities law restrictions. Sales of shares of our common stock or the perception in the market that the holders of a large number of shares of common stock intend to sell shares could reduce our stock price.

Our stock price and trading volume could decline if securities or industry analysts do not publish research or reports about our business or if they publish misleading or unfavorable research or reports about our business.

The trading market for our common stock will depend in part on the research and reports that securities or industry analysts publish about us or our business. The number of securities or industry analysts that commence or maintain coverage of our common stock could adversely impact the trading price and liquidity for our shares. In the event we obtain securities or industry analyst coverage, if one or more of the analysts who covers us downgrades our stock or publishes misleading or unfavorable research about our business, our stock price could decline. If one or more of these analysts ceases to cover us or fails to publish reports on us regularly, demand for our stock could decrease, which could cause our stock price or trading volume to decline.

Our management and other personnel have devoted a substantial amount of time to these compliance matters. Also, these rules and regulations have increased our legal and financial compliance costs and have made some activities more time consuming and costly than would be the case for a private company. For example, these rules and regulations have made it more expensive for us to maintain director and officer liability insurance. As a result, it may be more difficult for us to recruit and retain qualified individuals to serve on our Board of Directors or as our executive officers.

In addition, as a public company, we are subject to financial reporting, internal controls over financial reporting and other requirements. Our failure to maintain adequate internal controls over financial reporting has adversely affected investor confidence in the accuracy of our financial statements which has had an unfavorable impact on the value of our common stock. In addition, our failure to timely comply with reporting requirements has resulted in our inability to complete franchise sales and to provide current financial information to our investors.

Although we may desire to continue to pay dividends in the future, our financial condition, debt covenants, or Delaware law may prohibit us from doing so.

Beginning in April 2015 through July 2018, we announced a $0.16 per share quarterly cash dividend. We had not declared a dividend since July 2018, until November 2019 when we announced a $0.25 per share quarterly cash dividend. Although we expect to pay a quarterly cash dividend to holders of our common stock, we have no obligation to do so, and our dividend policy may change at any time without notice to our stockholders. The payment of dividends will be at the discretion of our Board of Directors and will depend, among other things, on our earnings, capital requirements, and financial condition. Our ability to pay dividends will also be subject to compliance with financial covenants that are contained in our credit facility and may be restricted by any future indebtedness that we incur or issuances of preferred stock. In addition, applicable law requires our Board of Directors to determine that we have adequate surplus prior to the declaration of dividends. We cannot provide an assurance that we will continue to pay dividends at any specific level or at all.

Anti-takeover provisions in our charter documents, Delaware law, and our credit facility could make an acquisition of us more difficult, limit attempts by our stockholders to replace or remove our current management, and adversely affect the value of our common stock.

Provisions in our second amended and restated certificate of incorporation and bylaws may have the effect of delaying or preventing a change of control or changes in our management. Our second amended and restated certificate of incorporation and bylaws also include provisions that:

- authorize our Board of Directors to issue, without further action by the stockholders, up to approximately 20.0 million shares of undesignated preferred stock;

- specify that special meetings of our stockholders can be called only by our Board of Directors, the Chair of our Board of Directors, or holders of at least 20% of the shares that will be entitled to vote on the matters presented at such special meeting;

- establish an advance notice procedure for stockholder proposals to be brought before an annual meeting, including proposed nominations of persons for election to our Board of Directors; and

- do not provide for cumulative voting in the election of directors.

In addition, our credit facility contains covenants that may impede, discourage, or prevent a takeover of us. For instance, upon a change of control, we would default on our credit facility. As a result, a potential takeover may not occur unless sufficient funds are available to repay our outstanding debt.

These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our Board of Directors, which is responsible for appointing the members of our management. Any provision of our amended and restated certificate of incorporation and bylaws or our debt documents that has the effect of delaying or deterring a change of control could limit the opportunity for our stockholders to receive a premium for their shares of our common stock. Even in the absence of a takeover attempt, the existence of these provisions may adversely affect our stock value if they are viewed as discouraging takeover attempts in the future.

USE OF PROCEEDS

Unless we specify otherwise in an accompanying prospectus supplement, we intend to use the net proceeds from the issuance or sale of our securities to provide additional funds for general corporate purposes, which may include, without limitation, future acquisitions, the repayment of outstanding indebtedness, capital expenditures and working capital. Any specific allocation of the net proceeds of an offering of securities to a specific purpose will be determined at the time of such offering and will be described in the accompanying prospectus supplement to this prospectus.

All of the shares of common stock offered by the Selling Stockholders pursuant to this prospectus will be sold by the Selling Stockholders for their respective accounts. We will not receive any of the proceeds from these sales.

Under the Vintage Registration Rights Agreement and the Kayne Registration Rights Agreement, except for certain expenses the Selling Stockholders have agreed to bear pursuant to the Vintage Registration Rights Agreement and Kayne Registration Rights Agreement, respectively, we will bear all fees and expenses incurred in effecting the registration of the common stock covered by this prospectus, including, without limitation, all registration and filing fees, all printing costs and all fees and expenses of our and our subsidiaries' counsel and independent registered public accountants.

DESCRIPTION OF CAPITAL STOCK

The following is a summary of our capital stock and certain terms of our Second Amended and Restated Certificate of Incorporation, as amended (the "Certificate of Incorporation"), the Certificate of Designation of our Voting Non-Economic Preferred Stock (the "Voting Non-Economic Preferred Stock"), as amended, and together with that certain Certificate of Increase, dated September 30, 2019 (the "Certificate of Designation"), our Second Amended and Restated Bylaws (the "Bylaws"), that certain Registration Rights Agreement, dated July 10, 2019, as amended as of September 30, 2019, October 23, 2019 and December 16, 2019, between us and certain of our investors listed on Schedule I thereto (the "Vintage Registration Rights Agreement"), that certain Registration Rights Agreement, dated February 14, 2020, between us and Kayne FRG Holdings, L.P. (the "Kayne Registration Right Agreement" and together with the Vintage Registration Rights Agreement, the "Registration Rights Agreements") and that certain First Amended and Restated Limited Liability Company Agreement of New Holdco, dated as of July 10, 2019, by and among New Holdco and its members, as amended, restated or otherwise modified from time to time (the "New Holdco LLC Agreement"). This discussion summarizes the material features of our capital stock but does not purport to be a complete description of these rights and may not contain all of the information regarding our capital. The descriptions herein are qualified in their entirety by reference to our Certificate of Incorporation, Certificate of Designation, Bylaws and Registration Rights Agreements, copies of which are filed as exhibits to the registration statement of which this prospectus is a part.

General

Our current authorized capital stock consists of 180,000,000 shares of common stock, par value $0.01 per share, and 20,000,000 shares of preferred stock, par value $0.01 per share (the "Preferred Stock"), of which 1,886,667 shares are designated as shares of our Voting Non-Economic Preferred Stock. As of May 12, 2020, we had outstanding 35,148,658.51 shares of common stock.

Certain of the common units ("New Holdco Units") of Franchise Group New Holdco, LLC ("New Holdco") issued under the New Holdco LLC Agreement were, together with one-fifth of a share of Voting Non-Economic Preferred Stock, redeemable in exchange for one share of our common stock after an initial six-month lockup period following their issuance, which has expired. As of April 1, 2020, all shares of outstanding Voting Non-Economic Preferred Stock and New Holdco Units (except for the New Holdco Units held by us) were redeemed for shares of our common stock and no shares of Voting Non-Economic Preferred Stock or New Holdco Units remained outstanding (except for the New Holdco Units held by us).

Common Stock

Dividends and Distributions. Subject to preferences that may apply to any shares of Preferred Stock outstanding at the time, the holders of shares of our common stock are entitled to share equally, on a per share basis, in dividends and other distributions of cash, property or shares of our stock as may be declared by our board of directors with respect to the shares of common stock out of our assets or funds legally available for dividends.

Liquidation. In the event of a voluntary or involuntary liquidation, dissolution, distribution of assets or winding up of the Company, the holders of shares of our common stock are entitled to share equally, on a per share basis, in all assets of the Company of whatever kind available for distribution after payment to creditors and subject to any prior distribution rights granted to holders of any outstanding shares of Preferred Stock.

Voting Rights. Each holder of shares of our common stock is entitled to one vote for each share of Common Stock held of record as of the applicable record date on any matter submitted to a vote of our stockholders.

Fundamental Transactions. In connection with certain fundamental transactions, all holders of shares of our common stock are entitled to receive consideration in the same form and of the same kind and amount, calculated on a per share basis.

Related Person Transactions. Certain transactions with persons owning 20% or more of our outstanding shares of common stock are subject to (i) the approval of 66-2/3% of the voting power of our capital stock held by unaffiliated stockholders, (ii) the approval of independent directors or (iii) the satisfaction of certain price requirements.

Preferred Stock

Liquidation. The Voting Non-Economic Preferred Stock has no economic rights other than to receive $0.01 per share of Voting Non-Economic Preferred Stock upon the liquidation, dissolution or winding up of the Company prior to any distribution of assets to holders of our common stock or any other class of our shares of capital stock ranking junior to the Voting Non-Economic Preferred Stock in connection with such liquidation, dissolution or winding up of the Company. As a result, there are no restrictions on the repurchase or redemption of shares of Preferred Stock while there is any arrearage in the payment of dividends or sinking fund installments.

Voting Rights. With respect to all meetings of our stockholders at which the holders of our shares of common stock are entitled to vote and with respect to any written consent sought by us or any other person from the holders of our shares of common stock, the holders of Voting Non-Economic Preferred Stock will vote together with the holders of shares of our common stock as a single class, except as otherwise required under non-waivable provisions of the Delaware General Corporation Law (the "DGCL"), and the holders of Voting Non-Economic Preferred Stock are entitled to cast five votes per share of Voting Non-Economic Preferred Stock held on any such matter. Until the date on which no shares of Voting Non-Economic Preferred Stock are outstanding, we are prohibited, without the prior affirmative vote or written consent of the holders of a majority of the issued and outstanding shares of Voting Non-Economic Preferred Stock, from changing, amending, altering or repealing any provision of the Certificate of Incorporation or the Bylaws, whether by merger, consolidation or otherwise, or creating a new series of Preferred Stock or issuing any other securities, in each case to the extent any such action would have a material and disproportionate adverse effect on the voting rights of the holders of Voting Non-Economic Preferred Stock relative to the voting rights of the holders of shares of our common stock. As no shares of Voting Non-Economic Preferred Stock are currently outstanding, the consent requirements described in the immediately preceding sentence are not currently in effect.

Redemption and Exchange. One-fifth of a share of Voting Non-Economic Preferred Stock held by certain holders thereof, together with one New Holdco Unit held by such holders, was redeemable at the election of such holders, following the expiration of an initial six-month lockup period following their issuance, which has expired, in exchange for one share of our common stock in accordance with the Certificate of Designation and the New Holdco LLC Agreement. Under certain circumstances as provided in the New Holdco LLC Agreement and the Certificate of Designation (e.g., a change of control), we had the right to require New Holdco Units and shares of Voting Non-Economic Preferred Stock held by certain holders to be redeemed in exchange for shares of our common stock as further described above. As of April 1, 2020, all shares of outstanding Voting Non-Economic Preferred Stock and New Holdco Units (except for the New Holdco Units held us) were redeemed for shares of our common stock and no shares of Voting Non-Economic Preferred Stock or New Holdco Units remained outstanding (except for the New Holdco Units held by us).

Transfer Restrictions. Subject to certain exceptions set forth in the New Holdco LLC Agreement, Voting Non-Economic Preferred Stock may not have been transferred, in whole or in part, by any holder directly or indirectly without our prior written consent. To the extent that certain holders of New Holdco Units transferred any of their New Holdco Units in accordance with the New Holdco LLC Agreement, such holders were required to transfer one-fifth of a share of Voting Non-Economic Preferred Stock held by such holders for each such New Holdco Unit transferred, to the same transferee of such New Holdco Unit.

Our board of directors may in the future, without further action by our stockholders, fix the rights, preferences, privileges and restrictions of up to an aggregate of 18,113,333 shares of Preferred Stock in one or more series and authorize their issuance. These rights, preferences and privileges could include dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences, sinking fund terms and the number of shares constituting any series or the designation of such series, any or all of which could adversely affect the rights of holders of our common stock and the likelihood that such holders will receive dividend payments and payments upon liquidation. In addition, the issuance of additional Preferred Stock could have the effect of delaying, deferring or preventing a change of control or other corporate action. We have no present plan to issue any additional shares of Preferred Stock.

Registration Rights

We are party to the Registration Rights Agreements with certain of our investors granting such investors certain registration rights applicable to certain shares of our common stock as set forth below. The registration of shares of our common stock pursuant to the exercise of the registration rights described below would enable the holders of these shares to trade these shares without restriction under the Securities Act when the applicable registration statement is declared effective. We will pay certain of the registration expenses of the Vintage Registrable Shares and the Kayne Registrable Shares registered pursuant to the Form S-3, demand and piggyback registrations described below.

Form S-3 Registration. Pursuant to the Vintage Registration Rights Agreement, on or before January 31, 2020, we were required to register the Vintage Registrable Shares on a "shelf" registration statement on Form S-1 or Form S-3 if we were eligible to do so at such time and we are required to maintain the effectiveness of such registration statement until no Vintage Registrable Shares remain.

Pursuant to the Kayne Registration Rights Agreement, on or before the expiration of a six-month lockup period applicable to the Kayne Registrable Shares pursuant to the Kayne Subscription Agreement, we are required to register the Kayne Registrable Shares on a "shelf" registration statement on Form S-1 or Form S-3 if we are eligible to do so at such time, except to the extent we have an existing shelf registration statement covering the Kayne Registrable Shares which may be used for the purposes contemplated in the Kayne Registration Rights Agreement, and to maintain the effectiveness of such registration statement until no Kayne Registrable Shares remain. The "Kayne Registrable Shares", together with the Vintage Registrable Shares, are herein referred to as the "Registrable Shares".

In addition, in connection with the Equity Financing, we agreed to provide the Investors certain registration rights applicable to the Investor Shares.

The registration statement of which this prospectus forms a part is being filed to comply with our registration obligations under each of the Registration Rights Agreements and our registration obligations in connection with the Equity Financing.

Demand Registration Rights. Pursuant to the Vintage Registration Rights Agreement, certain holders of share of our common stock are entitled to certain demand registration rights. During a period in which a shelf registration statement covering the Vintage Registrable Shares is effective, if any of Tributum, L.P., Vintage Tributum, L.P., Vintage Capital Management, LLC, Samjor Family LP, Vintage RTO, L.P., Stefac LP, Brian Kahn and Lauren Kahn, as tenants by the entirety, and B. Riley FBR, Inc., or certain of their respective affiliates (each, a "Vintage Group Member") holding any Vintage Registrable Shares delivers notice to us stating that it and/or one or more other holders of Vintage Registrable Shares (such Vintage Group Member, together with such other holders, the "Participating Investors") intend(s) to effect an underwritten public offering of all or part of its or their Vintage Registrable Shares included on the shelf registration statement (a "Demand Underwritten Offering"), we are required to use our reasonable best efforts to amend or supplement the shelf registration statement or related prospectus as may be necessary in order to enable such Vintage Registrable Shares to be distributed pursuant to the Demand Underwritten Offering. The holders of Vintage Registrable Shares are only entitled to offer and sell their Vintage Registrable Shares pursuant to a Demand Underwritten Offering if the aggregate amount of Vintage Registrable Shares to be offered and sold in such offering by the Participating Investors is reasonably expected to result in aggregate gross proceeds (based on the current market price of the number of Vintage Registrable Shares to be sold) of not less than $25 million.

Piggyback Registration Rights. In the event that we propose to publicly sell or register for sale any of our securities in an underwritten offering pursuant to a registration statement under the Securities Act (other than a registration statement on Form S-8 or on Form S-4) (a "Piggyback Registration"), we are required to give prompt written notice to the holders of Registrable Securities of our intention to effect such sale or registration and, subject to certain exceptions, are required to include in such transaction all Registrable Shares with respect to which we have received a written request from any holder of Registrable Shares or inclusion therein within ten business days after the receipt of our notice.

Certificate of Incorporation and Bylaws

Certain provisions of the DGCL and our Certificate of Incorporation and Bylaws could have the effect of delaying, deferring or discouraging another party from acquiring control of us. These provisions are designed in part to allow management to continue making decisions for the long-term best interest of Franchise Group and all of our stockholders and encourage anyone seeking to acquire control of us to first negotiate with our board of directors.

Our Bylaws include an advance notice procedure for stockholder proposals to be brought before an annual meeting of our stockholders, including proposed nominations of persons for election to our board of directors. The advance notice provisions will make it more difficult for our existing stockholders to replace our board of directors as well as for another party to obtain control of us by replacing our board of directors. Since our board of directors has the power to retain and discharge our officers, these provisions could also make it more difficult for existing stockholders or another party to effect a change in management. In addition, the authorization of undesignated Preferred Stock in our Certificate of Incorporation makes it possible for our board of directors to issue Preferred Stock with voting or other rights or preferences that could impede the success of any attempt to change our control. Our Certificate of Incorporation also provides that certain transactions with persons owning 20% or more of our outstanding common stock are subject to (i) the approval of 66-2/3% of the voting power of our capital stock held by unaffiliated stockholders, (ii) the approval of independent directors or (iii) the satisfaction of certain price requirements. Finally, our Bylaws specify that special meetings of our stockholders can be called only by our board of directors, the Chair of our board of directors, or holders of at least 20% of the shares that will be entitled to vote on the matters presented at such special meeting, which restricts the ability of our stockholders to meet and act outside of regularly scheduled meetings of our board of directors, adding delay to attempts to change our control.

Our Certificate of Incorporation does not give stockholders the right to cumulative voting in the election of directors. Without cumulative voting, a minority stockholder may not be able to gain as many seats on the board of directors as the stockholder would be able to gain if cumulative voting were permitted. The absence of cumulative voting makes it more difficult for a minority stockholder to gain a seat on our board of directors or influence our board of directors' decision regarding a takeover.

These provisions may have the effect of deterring hostile takeovers or delaying changes in our control or management. They are intended to enhance the likelihood of continued stability in the composition of our board of directors and its policies and to discourage certain types of transactions that may involve an actual or threatened acquisition of us. These provisions are designed to reduce our vulnerability to an unsolicited acquisition proposal. In addition, these provisions are intended to discourage certain tactics that may be used in proxy fights. However, such provisions could have the effect of discouraging others from making tender offers for our shares and, as a consequence, they also may inhibit fluctuations in the value of our stock that could result from actual or rumored takeover attempts.

Section 203 of the Delaware General Corporation Law

We have elected not to be governed by Section 203 of the DGCL ("Section 203"). Section 203 regulates corporate acquisitions and provides that specified persons who, together with affiliates and associates, own, or within three years did own, 15% or more of the outstanding voting stock of a corporation may not engage in business combinations with the corporation for a period of three years after the date on which the person became an interested stockholder unless:

- prior to such time, the corporation's board of directors approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction which resulted in the stockholder becoming an "interested stockholder," the interested stockholder owned at least 85% of the corporation's outstanding voting stock at the time the transaction commenced, other than statutorily excluded shares; or
- at or after the time a person became an interested stockholder, the business combination is approved by the corporation's board of directors and authorized at an annual or special meeting of stockholders by the affirmative vote of at least two thirds of the outstanding voting stock which is not owned by the interested stockholder.

The term “business combination” is defined to include mergers, asset sales and other transactions in which the interested stockholder receives or could receive a financial benefit on other than a pro rata basis with other stockholders.

Limitations of Liability and Indemnification of Officers and Directors

The DGCL authorizes corporations to limit or eliminate the personal liability of directors to corporations and their stockholders for monetary damages for breaches of directors’ fiduciary duties. The Certificate of Incorporation includes a provision that eliminates the personal liability of directors for monetary damages for actions taken as a director to the fullest extent authorized by the DGCL. The DGCL does not permit exculpation for liability:

- for breach of the duty of loyalty;
- for acts or omissions not in good faith or involving intentional misconduct or knowing violation of law;
- under Section 174 of the DGCL (relating to unlawful dividends or stock repurchases); or
- for transactions from which the director derived improper personal benefit.

The Certificate of Incorporation and Bylaws provide that we indemnify our directors and officers to the fullest extent permitted by law. The limitation of liability and indemnification provisions in the Certificate of Incorporation and Bylaws may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duty. These provisions may also have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our stockholders. In addition, an investment in our common stock may be adversely affected to the extent we pay the costs of settlement and damage awards against directors and officers in accordance with these indemnification provisions.

Exclusive Forum

The Certificate of Incorporation provides that unless we otherwise determine, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for any derivative action or proceeding brought on our behalf, any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders, any action asserting a claim against us arising pursuant to any provision of the DGCL, the Certificate of Incorporation or Bylaws, or any action asserting a claim against us governed by the internal affairs doctrine. This provision may limit a stockholder’s ability to bring a claim in a judicial forum (other than in a Delaware court) that it finds preferable for disputes with us and our directors, officers or other employees.

The exclusive forum provision does not apply to suits brought to enforce any duty or liability created by the Securities Act, the Exchange Act, or any other claim for which the federal courts have exclusive jurisdiction.

Authorized but Unissued Shares

Our authorized but unissued shares of our common stock and Preferred Stock will be available for future issuance and such future issuance may not require stockholder approval. These additional shares may be utilized for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions, employee benefit plans and rights plans. The existence of authorized but unissued shares of our common stock and Preferred Stock could render more difficult or discourage an attempt to obtain control of us by means of a proxy contest, tender offer, merger or otherwise.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock and Voting Non-Economic Preferred Stock is EQ Shareowner Services.

Listing of Securities

Our common stock is listed on Nasdaq under the symbol “FRG.”

DESCRIPTION OF WARRANTS

The following is a general description of the terms of the warrants we may issue from time to time. Particular terms of any warrants we offer will be described in the prospectus supplement relating to such warrants, as well as any warrant agreement that contains the terms of the warrants. We urge you to read the applicable prospectus supplements related to the warrants that we may sell under this prospectus, as well as the complete warrant agreements that will contain the terms of any warrants.

We may issue warrants to purchase shares of common stock or preferred stock. Such warrants may be issued in one or more series, independently or together with shares of common stock or preferred stock or other equity or debt securities and may be attached or separate from such securities. The terms of any warrants offered under a prospectus supplement may differ from the terms described below. We may issue warrants directly or under a separate warrant agreement to be entered into between us and a warrant agent. We will name any warrant agent in the applicable prospectus supplement. Any warrant agent will act solely as our agent in connection with the warrants of a particular series and will not assume any obligation or relationship of agency or trust for or with holders or beneficial owners of warrants.

The applicable prospectus supplement and the applicable warrant agreement will describe the particular terms of any series of warrants we may issue, including the following:

- the title of such warrants;
- the aggregate number of such warrants;
- the price or prices at which such warrants will be issued;
- if applicable, the designation and terms of the securities with which the warrants are issued and the number of warrants issued with each such security or each principal amount of such security;
- the number of shares common stock or preferred stock purchasable upon exercise of one warrant and the price at which these shares may be purchased upon such exercise;
- the date on which the right to exercise such warrants shall commence and the date on which such right will expire;
- whether such warrants will be issued in registered form or bearer form;
- if applicable, the minimum or maximum amount of such warrants which may be exercised at any one time;
- if applicable, the date on and after which such warrants and the related securities will be separately transferable;
- information with respect to book-entry procedures, if any;
- the terms of the securities issuable upon exercise of the warrants;
- the anti-dilution provisions of the warrants, if any;
- any redemption or call provisions;
- if applicable, a discussion of certain federal U.S. income tax considerations; and
- any other terms of such warrants, including terms, procedures and limitations relating to the exchange and exercise of such warrants.

We and the warrant agent may amend or supplement the warrant agreement for a series of warrants without the consent of the holders of the warrants issued thereunder to effect changes that are not inconsistent with the provisions of the warrants and that do not materially and adversely affect the interests of the holders of the warrants.

Prior to exercising their warrants, holders of warrants will not have any of the rights of holders of the securities purchasable upon such exercise, including the right to receive distributions or dividends, if any, or payments upon our liquidation, dissolution or winding up or to exercise any voting rights.

DESCRIPTION OF RIGHTS

The following is a general description of the rights we may offer from time to time. We may issue rights to our stockholders to purchase shares of our common stock and/or any of the other securities offered hereby. Each series of rights will be issued under a separate rights agreement to be entered into between us and a bank or trust company, as rights agent. When we issue rights, we will provide the specific terms of the rights and the applicable rights agreement in a prospectus supplement. Because the terms of any rights we offer under a prospectus supplement may differ from the terms we describe below, you should rely solely on information in the applicable prospectus supplement if that summary is different from the summary in this prospectus. We will incorporate by reference into the registration statement of which this prospectus is a part the form of rights agreement that describes the terms of the series of rights we are offering before the issuance of the related series of rights.

The applicable prospectus supplement relating to any rights will describe the terms of the offered rights, including, where applicable, the following:

- the date for determining the persons entitled to participate in the rights distribution;
- the exercise price for the rights;
- the aggregate number or amount of underlying securities purchasable upon exercise of the rights;
- the number of rights issued to each stockholder and the number of rights outstanding, if any;
- the extent to which the rights are transferable;
- the date on which the right to exercise the rights will commence and the date on which the right will expire;
- the extent to which the rights include an over-subscription privilege with respect to unsubscribed securities;
- anti-dilution provisions of the rights, if any; and
- any other terms of the rights, including terms, procedures and limitations relating to the distribution, exchange and exercise of the rights.

Holders may exercise rights as described in the applicable prospectus supplement. Upon receipt of payment and the rights certificate properly completed and duly executed at the corporate trust office of the rights agent or any other office indicated in the prospectus supplement, we will, as soon as practicable, forward the securities purchasable upon exercise of the rights. If less than all of the rights issued in any rights offering are exercised, we may offer any unsubscribed securities directly to persons other than stockholders, to or through agents, underwriters or dealers or through a combination of such methods, including pursuant to standby underwriting arrangements, as described in the applicable prospectus supplement.

DESCRIPTION OF UNITS

The following is a general description of the terms of the units we may offer from time to time. Particular terms of the units will be described in the applicable unit agreements and the applicable prospectus supplement for the units. We urge you to read the applicable prospectus supplements related to the units that we may sell under this prospectus, as well as the complete unit agreements that will contain the terms of any units.

We may issue units comprised of common stock, preferred stock, warrants or any combination thereof. Units may be issued in one or more series, independently or together with common stock, preferred stock or warrants, and the units may be attached to or separate from such securities. We may issue units directly or under a unit agreement to be entered into between us and a unit agent. We will name any unit agent in the applicable prospectus supplement. Any unit agent will act solely as our agent in connection with the units of a particular series and will not assume any obligation or relationship of agency or trust for or with any holders or beneficial owners of units.

Each unit will be issued so that the holder of the unit is also the holder of each security included in the unit. Thus, the holder of a unit will have the rights and obligations of a holder of each included security. The unit agreement under which a unit is issued may provide that the securities included in the unit may not be held or transferred separately, at any time, or at any time before a specified date. We may issue units in such amounts and in such numerous distinct series as we determine.

If we offer any units, certain terms of that series of units will be described in the applicable prospectus supplement, including, without limitation, the following, as applicable:

- the title of the series of units;
- identification and description of the separate constituent securities comprising the units;
- the price or prices at which the units will be issued;
- the date, if any, on and after which the constituent securities comprising the units will be separately transferable;
- a discussion of certain U.S. federal income tax considerations applicable to the units; and
- any other terms of the units and their constituent securities.

DESCRIPTION OF DEBT SECURITIES

The following description, together with the additional information we include in any applicable prospectus supplement, summarizes certain general terms and provisions of the debt securities that we may offer under this prospectus. When we offer to sell a particular series of debt securities, we will describe the specific terms of the series in a supplement to this prospectus. When we refer to "the Company," "we," "our," and "us" in this section, we mean Franchise Group, Inc., a Delaware corporation, excluding, unless the context otherwise requires or as otherwise expressly stated, our subsidiaries.

We may issue debt securities, either separately, or together with, or upon the conversion or exercise of or in exchange for, other securities described in this prospectus. Debt securities may be our senior, senior subordinated or subordinated obligations, and, unless otherwise specified in a prospectus supplement, the debt securities will be our direct, unsecured obligations and may be issued in one or more series. Any secured debt or other secured obligations will be effectively senior to the debt securities of any series to the extent of the value of the assets securing such debt or other obligations.

The debt securities will be issued under an indenture between us and a trustee named in a prospectus supplement. We have summarized select portions of the indenture below. The summary is not complete. The form of the indenture has been filed as an exhibit to the registration statement and you should read the indenture for provisions that may be important to you. In the summary below, we have included references to the section numbers of the indenture so that you can easily locate these provisions. Capitalized terms used in the summary and not defined herein have the meanings specified in the indenture. The indenture will not limit the amount of debt securities that we may issue. The indenture will provide that debt securities may be issued up to an aggregate principal amount authorized from time to time by us and may be payable in any currency or currency unit designated by us or in amounts determined by reference to an index.

General

The terms of each series of debt securities will be established by or pursuant to a resolution of our board of directors and set forth or determined in the manner provided in a resolution of our board of directors, in an officer's certificate or by a supplemental indenture.

We can issue an unlimited amount of debt securities under the indenture that may be in one or more series with the same or various maturities, at par, at a premium, or at a discount. The applicable prospectus supplement and/or free writing prospectus will describe any additional or different terms of the debt securities being offered, including, without limitation, the following, as applicable:

- the title and type of the debt securities;
- the ranking of the debt securities, including whether the debt securities will be senior or subordinated debt securities, and the terms on which they are subordinated;
- the aggregate principal amount of the debt securities and any limit on the aggregate principal amount of the debt securities;
- the price or prices at which we will sell the debt securities;
- the maturity date or dates of the debt securities and the right, if any, to extend such date or dates;
- the rate or rates, if any, per year, at which the debt securities will bear interest, or the method of determining such rate or rates;
- the date or dates from which such interest will accrue, the interest payment dates on which such interest will be payable or the manner of determination of such interest payment dates and the related record dates;
- the right, if any, to extend the interest payment periods and the duration of that extension;
- the manner of paying principal and interest and the place or places where principal and interest will be payable;
- provisions for a sinking fund, purchase fund or other analogous fund, if any;

- the period or periods within which, the price or prices at which and the terms and conditions upon which we may redeem the debt securities, including any redemption dates, prices, obligations and restrictions on the debt securities;
- the dates on which and the price or prices at which we will repurchase debt securities at the option of the holders of debt securities and other detailed terms and provisions of these repurchase obligations;
- the denominations in which the debt securities will be issued, if other than denominations of $1,000 and any integral multiple thereof;
- the portion of principal amount of the debt securities payable upon declaration of acceleration of the maturity date, if other than the principal amount;
- the currency, currencies or currency units in which the debt securities will be denominated and the currency, currencies or currency units in which principal and interest, if any, on the debt securities may be payable;
- any conversion or exchange features of the debt securities;
- whether and upon what terms the debt securities may be defeased;
- the manner in which the amounts of payment of principal of, premium, if any, or interest on the debt securities will be determined, if these amounts may be determined by reference to an index based on a currency or currencies or by reference to a commodity, commodity index, stock exchange index or financial index;
- any events of default or covenants in addition to or in lieu of those set forth in the indenture;
- whether the debt securities will be issued in definitive or global form or in definitive form only upon satisfaction of certain conditions;
- whether the debt securities will be guaranteed as to payment or performance;
- a discussion of certain U.S. federal income tax considerations; and
- any other terms of the debt securities, which may supplement, modify or delete any provision of the indenture as it applies to that series, including any terms that may be required under applicable law or regulations or advisable in connection with the marketing of the securities.

When we refer to “principal” in this section with reference to the debt securities, we are also referring to “premium, if any.” We may issue debt securities that provide for an amount less than their stated principal amount to be due and payable upon declaration of acceleration of their maturity pursuant to the terms of the indenture.

We may from time to time, without notice to or the consent of the holders of any series of debt securities, create and issue further debt securities of any such series ranking equally with the debt securities of such series in all respects (or in all respects other than (1) the payment of interest accruing prior to the issue date of such further debt securities or (2) the first payment of interest following the issue date of such further debt securities). Such further debt securities may be consolidated and form a single series with the debt securities of such series and have the same terms as to status, redemption or otherwise as the debt securities of such series.

A holder may present debt securities for exchange and may present debt securities for transfer in the manner, at the places and subject to the restrictions set forth in the debt securities and the applicable prospectus supplement. We will provide those services to the holders without charge, although the holder may have to pay any tax or other governmental charge payable in connection with any exchange or transfer, as set forth in the indenture.

Debt securities may bear interest at a fixed rate or a floating rate.

Certain Terms of the Debt Securities

Covenants. We will set forth in the applicable prospectus supplement any restrictive covenants applicable to any issue of debt securities.

Consolidation, Merger and Sale of Assets. Unless we indicate otherwise in a prospectus supplement, we may not consolidate with or merge into any other person in a transaction in which we are not the surviving corporation, or convey, transfer or lease our properties and assets substantially as an entirety to any person, in either case, unless:

- the successor entity, if any, is a U.S. corporation, limited liability company, partnership or trust (subject to certain exceptions provided for in the indenture);
- we are the surviving corporation or the successor entity assumes our obligations on the debt securities and under the indenture; and
- immediately after giving effect to the transaction, no default or event of default shall have occurred and be continuing.

No Protection in the Event of a Change in Control. Unless we indicate otherwise in a prospectus supplement with respect to a particular series of debt securities, the debt securities will not contain any provisions that may afford holders of debt securities protection in the event we have a change in control or in the event of a highly leveraged transaction (whether or not such transaction results in a change in control).

Events of Default. The following are events of default under the indenture for any series of debt securities:

- failure to pay interest on any debt securities of such series when due and payable, if that default continues for a period of 90 days (or such other period as may be specified for such series);
- failure to pay principal on the debt securities of such series when due and payable whether at maturity, upon redemption, by declaration or otherwise (and, if specified for such series, the continuance of such failure for a specified period);
- default in the performance of or breach of any of our covenants or agreements in the indenture applicable to debt securities of such series, other than a covenant breach which is specifically dealt with elsewhere in the indenture, and that default or breach continues for a period of 90 days after we receive written notice from the trustee or from the holders of 25% or more in aggregate principal amount of the debt securities of such series;
- certain events of bankruptcy or insolvency, whether or not voluntary, and, in the case of an order or decree in an involuntary proceeding, such order or decree remains unstayed and in effect for a period of 90 days; and
- any other event of default provided for in such series of debt securities as may be specified in the applicable prospectus supplement.

No event of default with respect to a particular series of debt securities, except as noted in the subsequent paragraph, necessarily constitutes an event of default with respect to any other series of debt securities.

If an event of default other than an event of default specified in the fourth bullet point immediately above occurs with respect to a series of debt securities and is continuing under the indenture, then, and in each such case, either the trustee or the holders of not less than 25% in aggregate principal amount of such series then outstanding under the indenture (each such series voting as a separate class) by written notice to us and to the trustee, if such notice is given by the holders, may, and the trustee at the request of such holders shall, declare the principal amount of and accrued interest on such series of debt securities to be immediately due and payable, and upon this declaration, the same shall become immediately due and payable.

If an event of default specified in the fourth bullet point immediately above occurs and is continuing, the entire principal amount of and accrued interest on each series of debt securities then outstanding shall become immediately due and payable.

Unless otherwise specified in the prospectus supplement relating to a series of debt securities originally issued at a discount, the amount due upon acceleration shall include only the original issue price of the debt securities, the amount of original issue discount accrued to the date of acceleration and accrued interest, if any.

Upon certain conditions, declarations of acceleration may be rescinded and annulled and past defaults may be waived by the holders of a majority in aggregate principal amount of all the debt securities of such series affected by the default, each series voting as a separate class. Furthermore, prior to a declaration of acceleration and subject to various provisions in the indenture, the holders of a majority in aggregate principal amount of a series of debt securities, by notice to the trustee, may waive an existing default or event of default with respect to such debt securities and its consequences, except a default in the payment of principal of or interest on such debt securities or in respect of a covenant or provision of the indenture which cannot be modified or amended without the consent of the holders of each such debt security. Upon any such waiver, such default shall cease to exist, and any event of default with respect to such debt securities shall be deemed to have been cured, for every purpose of the indenture; but no such waiver shall extend to any subsequent or other default or event of default or impair any right consequent thereto.

The holders of a majority in aggregate principal amount of a series of debt securities may 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 the trustee with respect to such debt securities. However, the trustee may refuse to follow any direction that conflicts with law or the indenture, that may involve the trustee in personal liability or that the trustee determines in good faith may be unduly prejudicial to the rights of holders of such series of debt securities not joining in the giving of such direction and may take any other action it deems proper that is not inconsistent with any such direction received from holders of such series of debt securities. A holder may not pursue any remedy with respect to the indenture or any series of debt securities unless:

- the holder gives the trustee written notice of a continuing event of default with respect to debt securities of that series;
- the holders of at least 25% in aggregate principal amount of such series of debt securities make a written request to the trustee to pursue the remedy in respect of such event of default;
- the requesting holder or holders offer the trustee indemnity satisfactory to the trustee against any costs, liability or expense;
- the trustee does not comply with the request within 60 days after receipt of the request and the offer of indemnity; and
- during such 60-day period, the holders of a majority in aggregate principal amount of such series of debt securities do not give the trustee a direction that is inconsistent with the request.

These limitations, however, do not apply to the right of any holder of a debt security to receive payment of the principal of and interest on such debt security in accordance with the terms of such debt security, or to bring suit for the enforcement of any such payment in accordance with the terms of such debt security, on or after the due date for the debt securities, which right shall not be impaired or affected without the consent of the holder.

The indenture requires certain of our officers to certify, on or before a fixed date in each year in which any debt security is outstanding, as to their knowledge of our compliance with all covenants, agreements and conditions under the indenture.

Satisfaction and Discharge. We can satisfy and discharge our obligations to holders of any series of debt securities if:

- we pay or cause to be paid, as and when due and payable, the principal of and any interest on all debt securities of such series outstanding under the indenture;
- we deliver to the trustee for cancellation all debt securities of any series theretofore authenticated (other than securities that have been destroyed, lost or stolen); or
- all debt securities of such series have become due and payable or will become due and payable within one year (or are to be called for redemption within one year) and we deposit in trust a combination of cash and U.S. government or U.S. government agency obligations that will generate enough cash to make interest, principal and any other payments on the debt securities of that series on their various due dates.

Defeasance. Unless the applicable prospectus supplement provides otherwise, the following discussion of legal defeasance and discharge and covenant defeasance will apply to any series of debt securities issued under the indentures.

Legal Defeasance. We can legally release ourselves from any payment or other obligations on the debt securities of any series (called "legal defeasance") if certain conditions are met, including the following:

- We deposit in trust for the benefit of all direct holders of the debt securities of the same series a combination of cash and U.S. government or U.S. government agency obligations that will generate enough cash to make interest, principal and any other payments on the debt securities of that series on their various due dates.

- We deliver to the trustee a legal opinion of our counsel confirming there was a change in current U.S. federal income tax law or an IRS ruling that lets us make the above deposit without causing the holder to be taxed on the debt securities any differently than if we did not make the deposit and instead paid the amounts due on the debt securities as and when due.

If we ever did accomplish legal defeasance, as described above, holders would have to rely solely on the trust deposit for repayment of the debt securities. The holders could not look to us for repayment in the event of any shortfall.

Covenant Defeasance. Without any change of current U.S. federal tax law, we can make the same type of deposit described above and be released from some of the covenants in the debt securities (called "covenant defeasance"). In that event, the holder would lose the protection of those covenants but would gain the protection of having money and securities set aside in trust to repay the debt securities. In order to achieve covenant defeasance, we must do the following (among other things):

- We must deposit in trust for the benefit of all direct holders of the debt securities of the same series a combination of cash and U.S. government or U.S. government agency obligations that will generate enough cash to make interest, principal and any other payments on the debt securities of that series on their various due dates.

- We must deliver to the trustee a legal opinion of our counsel confirming that under current U.S. federal income tax law we may make the above deposit without causing the holder to be taxed on the debt securities any differently than if we did not make the deposit and instead paid the amounts due on the debt securities as and when due.

If we accomplish covenant defeasance, the holders can still look to us for repayment of the debt securities if there were a shortfall in the trust deposit. In fact, if one of the events of default occurred (such as our bankruptcy) and the debt securities become immediately due and payable, there may be such a shortfall. Depending on the events causing the default, the holders may not be able to obtain payment of the shortfall.

Modification and Waiver. We and the trustee may amend or supplement the indenture or the debt securities without the consent of any holder:

- to convey, transfer, assign, mortgage or pledge any assets as security for the debt securities of one or more series;

- to evidence the succession of a corporation, limited liability company, partnership or trust to us, and the assumption by such successor of our covenants, agreements and obligations under the indenture;

- to add to our covenants such new covenants, restrictions, conditions or provisions for the protection of the holders, and to make the occurrence, or the occurrence and continuance, of a default in any such additional covenants, restrictions, conditions or provisions an event of default;

- to cure any ambiguity, defect or inconsistency in the indenture or in any supplemental indenture or to conform the indenture or the debt securities to the description of debt securities of such series set forth in this prospectus or any applicable prospectus supplement;

- to provide for or add guarantors with respect to the debt securities of any series;

- to establish the form or forms or terms of the debt securities as permitted by the indenture;

- to evidence and provide for the acceptance of appointment under the indenture by a successor trustee, or to make such changes as shall be necessary to provide for or facilitate the administration of the trusts in the indenture by more than one trustee;

- to add to, delete from or revise the conditions, limitations and restrictions on the authorized amount, terms, purposes of issue, authentication and delivery of any series of debt securities;

- to make any change to the debt securities of any series so long as no debt securities of such series are outstanding; or
- to make any change that does not adversely affect the rights of any holder in any material respect.

Other amendments and modifications of the indenture or the debt securities issued may be made, and our compliance with any provision of the indenture with respect to any series of debt securities may be waived, with the consent of the holders of a majority of the aggregate principal amount of the outstanding debt securities of all series affected by the amendment or modification (voting together as a single class); provided, however, that each affected holder must consent to any modification, amendment or waiver that:

- extends the final maturity of any debt securities of such series;
- reduces the principal amount of on any debt securities of such series;
- reduces the rate or extends the time of payment of interest on any debt securities of such series;
- reduces the amount payable upon the redemption of any debt securities of such series;
- changes the currency of payment of principal of or interest on any debt securities of such series;
- reduces the principal amount of original issue discount securities payable upon acceleration of maturity or the amount provable in bankruptcy;
- waives a default in the payment of principal of or interest on the debt securities;
- changes the provisions relating to the waiver of past defaults or changes or impairs the right of holders to receive payment or to institute suit for the enforcement of any payment or conversion of any debt securities of such series on or after the due date therefor;
- modifies any of the provisions of these restrictions on amendments and modifications, except to increase any required percentage or to provide that certain other provisions cannot be modified or waived without the consent of the holder of each debt security of such series affected by the modification; or
- reduces the above-stated percentage of outstanding debt securities of such series whose holders must consent to a supplemental indenture or to modify or amend or to waive certain provisions of or defaults under the indenture.

It shall not be necessary for the holders to approve the particular form of any proposed amendment, supplement or waiver, but it shall be sufficient if the holders' consent approves the substance thereof. After an amendment, supplement or waiver of the indenture in accordance with the provisions described in this section becomes effective, the trustee must give to the holders affected thereby certain notice briefly describing the amendment, supplement or waiver. Any failure by the trustee to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such amendment, supplemental indenture or waiver.

No Personal Liability of Incorporators, Shareholders, Officers, and Directors. The indenture provides that no recourse shall be had under any obligation, covenant or agreement of ours in the indenture or any supplemental indenture, or in any of the debt securities or because of the creation of any indebtedness represented thereby, against any of our incorporators, shareholders, officers or directors, past, present or future, or of any predecessor or successor entity thereof under any law, statute or constitutional provision or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise. Each holder, by accepting the debt securities, waives and releases all such liability.

Concerning the Trustee. The indenture provides that, except during the continuance of an event of default, the trustee will not be liable except for the performance of such duties as are specifically set forth in the indenture. If an event of default has occurred and is continuing, the trustee will exercise such rights and powers vested in it under the indenture and will use the same degree of care and skill in its exercise as a prudent person would exercise under the circumstances in the conduct of such person's own affairs.

The indenture and the provisions of the Trust Indenture Act of 1939 incorporated by reference therein contain limitations on the rights of the trustee thereunder, should it become a creditor of ours or any of our subsidiaries, to obtain payment of claims in certain cases or to realize on certain property received by it in respect of any such claims, as security or otherwise. The trustee is permitted to engage in other transactions, provided that if it acquires any conflicting interest (as defined in the Trust Indenture Act), it must eliminate such conflict or resign.

We may have normal banking relationships with the trustee in the ordinary course of business.

Unclaimed Funds. All funds deposited with the trustee or any paying agent for the payment of principal, premium, interest or additional amounts in respect of the debt securities that remain unclaimed for two years after the date upon which such principal, premium or interest became due and payable will be repaid to us. Thereafter, any right of any holder of debt securities to such funds shall be enforceable only against us, and the trustee and paying agents will have no liability therefor.

Governing Law. The indenture and the debt securities, including any claim or controversy arising out of or relating to the indenture or the debt securities, will be governed by, and construed in accordance with, the internal laws of the State of New York.

SELLING STOCKHOLDERS

Up to 26,825,951.18 shares of our common stock held by the Selling Stockholders may be offered for resale by the Selling Stockholders under this prospectus, in each case from time to time in one or more offerings.

Certain of the shares of our common stock being registered by the registration statement of which this prospectus forms a part are being registered pursuant to registration rights that have been granted to the Selling Stockholders pursuant to the Vintage Registration Rights Agreement or the Kayne Registration Rights Agreement. See the sections entitled "*Selling Stockholders—Material Relationships with the Selling Stockholders—Vintage Registration Rights Agreement*" and "*Selling Stockholders—Material Relationships with the Selling Stockholders —Kayne Registration Rights Agreement*."

When we refer to the "Selling Stockholders" in this prospectus, we refer to the persons listed in the table below, and the pledgees, donees, transferees, assignees, successors and other permitted transferees that hold any of the Selling Stockholders' interests in the shares of common stock after the date of this prospectus, including as may be named in any supplement to this prospectus. The following table sets forth information concerning the shares of common stock that may be offered from time to time by each Selling Stockholder.

We cannot advise you as to whether the Selling Stockholders will in fact sell any or all of such shares of common stock. In particular, the Selling Stockholders identified below may have sold, transferred or otherwise disposed of all or a portion of their securities after the date on which they provided us with information regarding their securities. Any changed or new information given to us by the Selling Stockholders, including regarding the identity of, and the securities held by, each Selling Stockholder, will be set forth in a prospectus supplement or an amendment to the registration statement of which this prospectus is a part, if and when necessary. Pursuant to the Registration Rights Agreement, we are obligated to use reasonable best efforts to amend this registration statement and this prospectus to reflect any distribution of Registrable Shares by a Selling Stockholder to any of its direct or indirect equity holders that does not involve a disposition for value.

Pursuant to the Kayne Subscription Agreement, certain of the shares of our common stock offered hereby are subject to a six-month lockup period following their issuance (which expires on August 14, 2020), and the filing of the registration statement of which this prospectus forms a part does not constitute a waiver of such restrictions.

The table below presents information regarding (i) the Selling Stockholders, (ii) the number and percentage of common stock beneficially owned by each of them prior to the offering, (iii) the common stock that each of them may sell or otherwise dispose of from time to time under this prospectus and (iv) the number and percentage of the common stock the Selling Stockholders will own assuming all of the shares of common stock covered by this prospectus are sold by the Selling Stockholders. The information in the table below is based on 35,148,658.51 shares of common stock outstanding as of May 12, 2020 and was prepared based in part on information supplied to us by the Selling Stockholders. Beneficial ownership is determined in accordance with Section 13(d) of the Exchange Act and generally includes voting or investment power with respect to securities, including any securities that grant the Selling Stockholders the right to acquire shares of common stock within 60 days. Other than the transactions referred to in this prospectus or in any prospectus supplement and in documents filed by us with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act and incorporated into this prospectus by reference, the Selling Stockholders have not within the past three years had any position, office or other material relationship with us or any of our subsidiaries other than as a holder of our securities.

Because the Selling Stockholders identified in the table may sell some or all of the shares of common stock listed in the table, and because, other than the Vintage Registration Rights Agreement and the Kayne Registration Rights Agreement, there are currently no agreements, arrangements or understandings with respect to the sale of any of the shares of common stock, no estimate can be given as to the number of shares of common stock available for resale hereby that will be held by the Selling Stockholders upon termination of this offering. In addition, the Selling Stockholders may have sold, transferred or otherwise disposed of, or may sell, transfer or otherwise dispose of, at any time and from time to time, the common stock they hold in transactions exempt from the registration requirements of the Securities Act after the date on which they acquired the shares of common stock. We have, therefore, assumed for the purposes of the following table, that all of the common stock covered by this prospectus will be sold by the Selling Stockholders.

Any prospectus supplement may add, update, substitute, or change the information contained in this prospectus, including the identity of the Selling Stockholders and the number of shares of common stock registered on its behalf. The Selling Stockholders may sell or otherwise transfer all, some or none of the common stock held by each of them in this offering. See "*Plan Of Distribution*."

Name and Address of Selling Stockholder	Beneficially Owned Before this Offering		Total Number of Shares of Common Stock to be Offered Pursuant to this Prospectus (1)	Beneficially Owned Upon Completion of this Offering	
	Common Stock	% of Common Stock		Common Stock	% of Common Stock
Stefac, LP (2)	4,437,333.00	12.62%	4,437,333.00	--	*
Samjor Family LP (3)	3,937,726.03	11.20%	3,937,726.03	--	*
Tributum, L.P. (4)	2,270,833.33	6.46%	2,270,833.33	--	*
Vintage Tributum, L.P. (5)	2,075,151.00	5.90%	2,075,151.00	--	*
Brian Kahn and Lauren Kahn, as tenants by the entirety (6)	2,173,590.00	6.18%	2,172,217.00	1,373.00	*
B. Riley FBR, Inc. (7)	3,520,991.00	10.02%	1,340,263.00	475,375.00	1.35%
Kayne FRG Holdings, L.P. (8)	1,250,000.00	3.56%	1,250,000.00	--	*
Brian DeGustino Revocable Trust (9)	1,129,328.31	3.21%	1,129,328.31	--	*
David O'Neil (11)	898,130.31	2.56%	898,130.31	--	*
Jeffrey D. Miller (12)	898,130.31	2.56%	898,130.31	--	*
American First Finance, Inc. (13)	529,411.58	1.51%	529,411.58	--	*
Martin Meyer and Fengfeng Ren (14)	336,798.69	*	336,798.69	--	*
Simkins Buddy's LLC (15)	304,751.00	*	304,751.00	--	*
Nantahala Capital Partners, SI LP (15)	908,233.00	2.58%	279,458.00	628,775.00	1.79%
180 Degree Capital Corp. (17)	264,706.00	*	264,706.00	--	*
The Estate of Paul T. Stoffel (18)	243,801.00	*	243,801.00	--	*
William Herbert Hunt Trust (19)	229,999.92	*	229,999.92	--	*
Nantahala Capital Partners II Limited Partnership (16)	351,704.00	1.00%	191,799.00	159,905.00	*
BRC Partners Opportunity Fund, LP (20)	651,471.00	1.85%	176,471.00	475,000.00	1.35%
Acrewood 2012, LP (21)	169,715.94	*	169,715.94	--	*
Mike Piper (22)	213,505.37	*	163,149.37	50,356.00	*
Great American Life Insurance Company (23)	153,156.51	*	153,156.51	--	*
Great American Insurance Company (23)	153,156.51	*	153,156.51	--	*
NCP QR LP (16)	147,927.00	*	147,927.00	--	*

Name and Address of Selling Stockholder	Beneficially Owned Before this Offering		Total Number of Shares of Common Stock to be Offered Pursuant to this Prospectus (1)	Beneficially Owned Upon Completion of this Offering	
	Common Stock	% of Common Stock		Common Stock	% of Common Stock
SLPR, LLP (24)	121,900.00	*	121,900.00	--	*
Tristan Partners, L.P. (25)	121,309.00	*	121,309.00	--	*
Prelude Opportunity Fund, LP (26)	120,962.00	*	120,962.00	--	*
Drop Bear LLC (27)	117,646.51	*	117,646.51	--	*
John B. Berding (28)	172,022.51	*	111,649.51	--	*
Punch Micro Cap Partners, LLC (29)	100,000.00	*	100,000.00	--	*
Ohsang Kwon (30)	99,999.96	*	99,999.96	--	*
David S. Hunt (31)	99,999.96	*	99,999.96	--	*
Blackwell Partners LLC – Series A (16)	282,191.00	*	92,287.00	189,904.00	*
Tonga Partners, L.P. (32)	88,807.00	*	88,807.00	--	*
Polar Multi-Strategy Master Fund (33)	88,236.00	*	88,236.00	--	*
Matthew Avril (34)	107,748.00	*	75,469.00	1,804.00	*
John B. Berding Irrevocable Family Trust (35)	75,469.00	*	75,469.00	--	*
Rangeley Capital Partners, L.P. (36)	148,735.00	*	62,863.00	85,872.00	*
Denman Street LLC (37)	60,373.00	*	60,373.00	--	*
Credentia Partners Funds I, LP (38)	60,000.00	*	60,000.00	--	*
AFOB FIP MS, LLC (39)	58,828.00	*	58,828.00	--	*
Special Opportunities Fund, Inc. (40)	58,824.00	*	58,824.00	--	*
Bryant & Carleen Riley JTWROS (41)	4,777,210.00	13.59%	58,824.00	3,201,652.00	9.11%
Robert Antin Children Irrevocable Trust (42)	58,824.00	*	58,824.00	--	*
Ardsley Partners Renewable Energy Fund (43)	58,823.98	*	58,823.98	--	*
Manatuck Hill Scout Fund, LP (44)	55,000.00	*	55,000.00		*
Acrewood 2014, LP (45)	52,528.13	*	52,528.13	--	*
Tristan Offshore Fund, Ltd. (46)	52,204.00	*	52,204.00	--	*
William M. Laurence (47)	51,665.00	*	51,665.00	--	*

Name and Address of Selling Stockholder	Beneficially Owned Before this Offering		Total Number of Shares of Common Stock to be Offered Pursuant to this Prospectus (1)	Beneficially Owned Upon Completion of this Offering	
	Common Stock	% of Common Stock		Common Stock	% of Common Stock
Weintraub Capital Management, L.P. (48)	50,000.00	*	50,000.00	--	*
Hunt Technology Ventures, L.P. (49)	49,999.98	*	49,999.98	--	*
Kingdom Investments, Limited (50)	49,999.98	*	49,999.98	--	*
Placid Ventures, LP (51)	49,999.98	*	49,999.98	--	*
Manatuck Hill Mariner Master Fund, LP (52)	44,300.00	*	44,300.00	--	*
Rangeley Capital Partners II, L.P. (36)	102,774.00	*	43,619.00	59,155.00	*
L. Kevin Dann (53)	42,665.00	*	42,665.00	--	*
Patrick Sullivan (54)	42,665.00	*	42,665.00	--	*
Lydia Hunt Allred (55)	39,999.98	*	39,999.98	--	*
Glynn Venture Group, LLC (56)	36,570.00	*	36,570.00	--	*
Karen K. Moraitis IRA (57)	35,497.46	*	35,497.46	--	*
Matthew E. and Kathleen B. Avril (58)	107,748.00	*	30,475.00	1,804	*
Raymond Gellein (59)	30,475.00	*	30,475.00	--	*
Saker Partners LP (60)	30,000.00	*	30,000.00	--	*
Lydia Hunt - Herbert Trusts - Douglas Herbert Hunt (61)	29,999.99	*	29,999.99	--	*
David E Abell (62)	29,411.76	*	29,411.76	--	*
Silver Creek CS SAV, L.L.C. (16)	90,121.00	*	28,950.00	61,171.00	*
Kelleher Family Trust (63)	25,000.00	*	25,000.00	--	*
Lydia Hunt - Herbert Trusts - Bruce William Hunt (64)	25,000.00	*	25,000.00	--	*
MACABA, LLC (65)	25,000.00	*	25,000.00	--	*
Lery Development Corp. (66)	24,380.00	*	24,380.00	--	*
Steven B. Malkenson (67)	24,380.00	*	24,380.00	--	*
Jon D and Linda W Gruber Trust (68)	23,529.00	*	23,529.00	--	*
William Powell (69)	23,500.00	*	23,500.00	--	*

Name and Address of Selling Stockholder	Beneficially Owned Before this Offering		Total Number of Shares of Common Stock to be Offered Pursuant to this Prospectus (1)	Beneficially Owned Upon Completion of this Offering	
	Common Stock	% of Common Stock		Common Stock	% of Common Stock
Rangeley Capital Partners Special Opportunities Fund, L.P. (36)	50,032.00	*	21,811.00	28,221.00	*
Manatuck Hill Navigator Master Fund, LP (70)	18,400.00	*	18,400.00	--	*
Robert D'Agostino (71)	17,647.00	*	17,647.00	--	*
Allred 2002 Trust - HHA (72)	17,499.99	*	17,499.99	--	*
Allred 2002 Trust - NLA (72)	17,499.99	*	17,499.99	--	*
Cuttyhunk Master Portfolio (73)	16,719.00	*	16,719.00	--	*
Jeffrey H. Cutshall (74)	14,705.88	*	14,705.88	--	*
Richard J. Reisman (75)	14,705.88	*	14,705.88	--	*
Adam Silverman (76)	14,699.99	*	14,699.99	--	*
Kenneth Silverman (77)	14,628.00	*	14,628.00	--	*
Nantahala Capital Partners Limited Partnership (16)	130,071.00	*	14,262.00	115,809.00	*
Ben R. Strickland (78)	12,000.00	*	12,000.00	--	*
James D. Blue (79)	11,764.70	*	11,764.70	--	*
Daniel Shribman (80)	11,471.00	*	11,471.00	--	*
Eric Seeton (81)	11,320.00	*	11,320.00	--	*
Andrew Moore (82)	10,000.00	*	10,000.00	--	*
Andrew F. Kaminsky (83)	10,000.00	*	10,000.00	--	*
Herbert Hunt Allred (84)	10,000.00	*	10,000.00	--	*
Taylor F. Hunt (85)	10,000.00	*	10,000.00	--	*
Davin P. Hunt (86)	10,000.00	*	10,000.00	--	*
Bryant Riley C/F Abigail Riley UTMA CA (87)	8,824.00	*	8,824.00	--	*
Bryant Riley C/F Charlie Riley UTMA CA (87)	8,824.00	*	8,824.00	--	*
Bryant Riley C/F Eloise Riley UTMA CA (87)	8,824.00	*	8,824.00	--	*
Bryant Riley C/F Susan Riley UTMA CA (87)	8,824.00	*	8,824.00	--	*
Joseph Robert Nardini (88)	8,823.53	*	8,823.53	--	*
Bradley Michael Silver (89)	8,823.53	*	8,823.53	--	*
Derek Schoettle (90)	7,547.00	*	7,547.00	--	*

Name and Address of Selling Stockholder	Beneficially Owned Before this Offering		Total Number of Shares of Common Stock to be Offered Pursuant to this Prospectus (1)	Beneficially Owned Upon Completion of this Offering	
	Common Stock	% of Common Stock		Common Stock	% of Common Stock
Daniel Meitner Ondeck (91)	6,764.70	*	6,764.70	--	*
Jonathan Michael Mitchell (92)	6,000.00	*	6,000.00	--	*
Jimmy Baker (93)	6,000.00	*	6,000.00	--	*
Patrice McNicoll (94)	6,000.00	*	6,000.00	--	*
Maurice Robert Poplausky (95)	5,882.00	*	5,882.00	--	*
Eric Rajewski (96)	2,941.00	*	2,941.00	--	*
Kevin S. Lee (97)	2,941.00	*	2,941.00	--	*
Lauren Susanne Pollard (98)	2,000.00	*	2,000.00	--	*
Joseph A. Haverkamp (99)	1,887.00	*	1,887.00	--	*
Joel David Cady (100)	1,000.00	*	1,000.00	--	*
Amy R. Redin (101)	1,000.00	*	1,000.00	--	*
Karl James Finley (102)	1,000.00	*	1,000.00	--	*
John Christopher Batten (103)	1,000.00	*	1,000.00	--	*
Ethan Brian MacManus (104)	588.00	*	588.00	--	*

* Less than 1%.

(1) This column assumes all shares of common stock held by the Selling Stockholders included in this prospectus are offered and sold in a future offering.

(2) FCF GP LLC ("FCF") is general partner of Stefac LP. Vintage Capital Management, LLC is the investment manager and member of FCF. Kahn Capital, as a member and the majority owner of Vintage, may be deemed to have the power to direct the voting and disposition of the shares of common stock directly owned by Stefac LP, and may be deemed to be the indirect beneficial owner of such shares. Brian Kahn, as the manager of each of Vintage Capital Management, LLC and Kahn Capital, may be deemed to have the power to direct the voting and disposition of the shares of common stock directly owned by Stefac LP, and may be deemed to be the indirect beneficial owner of such shares. The address for Stefac LP is c/o Vintage Capital Management, LLC, 4705 S. Apopka Vineland Road, Suite 206, Orlando, Florida 32819.

(3) Samjor Inc. is the general partner of Samjor Family LP. Brian Kahn, as the President of Samjor Inc., may be deemed to have the power to direct the voting and disposition of the shares of common stock directly owned by Samjor Family LP and may be deemed to be the indirect beneficial owner of such securities. The address for Samjor Family LP is c/o Brian R. Kahn 9935 Lake Louise Drive, Windermere, Florida 34786.

(4) Vintage Vista GP, LLC ("Vintage Vista") is general partner of Tributum, L.P. Vintage Capital Management, LLC is the investment manager and member of Vintage Vista. Kahn Capital Management, LLC ("Kahn Capital"), as a member and the majority owner of Vintage Capital Management, LLC, may be deemed to have the power to direct the voting and disposition of the shares of common stock directly owned by Tributum, L.P., and may be deemed to be the indirect beneficial owner of such shares. Brian Kahn, as the manager of each of Vintage Capital Management, LLC and Kahn Capital, may be deemed to have the power to direct the voting and disposition of the shares of common stock directly owned by Tributum, L.P., and may be deemed to be the indirect beneficial owner of such shares. The address for Tributum, L.P. is c/o Vintage Capital Management, LLC, 4705 S. Apopka Vineland Road, Suite 206, Orlando, Florida 32819.

(5) Vintage Capital Management, LLC is the general partner of Vintage Tributum, L.P. Kahn Capital, as a member and the majority owner of Vintage Capital Management, LLC, may be deemed to have the power to direct the voting and disposition of the shares of common stock directly owned by Vintage Tributum, L.P., and may be deemed to be the indirect beneficial owner of such shares. Brian Kahn, as the manager of each of Vintage Capital Management, LLC and Kahn Capital, may be deemed to have the power to direct the voting and disposition of the shares of common stock directly owned by Vintage Tributum, L.P., and may be deemed to be the indirect beneficial owner of such shares. The address for Vintage Tributum, L.P. is c/o Vintage Capital Management, LLC, 4705 S. Apopka Vineland Road, Suite 206, Orlando, Florida 32819.

(6) 150,000 of the shares registered in the name of Brian Kahn and Lauren Kahn, as tenants by the entirety, pursuant to the registration statement of which this prospectus forms a part were acquired by Brian Kahn and Lauren Kahn, as tenants by the entirety, pursuant to a share purchase agreement with Dialectic Antithesis Partners, LP, and we agreed to provide certain registration rights applicable to such shares. The address for Brian Kahn and Lauren Kahn, as tenants by the entirety, is 9935 Lake Louise Drive, Windermere, Florida 34786.

(7) B. Riley FBR, Inc. is a broker-dealer. The securities identified in the table above for B. Riley FBR, Inc. were acquired in the ordinary course of business and at the time of acquisition, neither B. Riley FBR, Inc. nor any of its affiliates had an agreement or understanding, directly or indirectly, with any person to distribute the securities. The address for B. Riley FBR, Inc. is 111000 Santa Monica Boulevard, Suite 800, Los Angeles, California 90025.

(8) Kayne FRG Holdings, L.P. is a limited partnership of which KAFRG Investors GP, LLC is the general partner. KAFRG Investors GP, LLC is managed by its managing member, Kayne Anderson Capital, L.P. Jon Levinson is a natural person who may be deemed to have shared voting, investment and/or dispositive power with respect to the securities identified in the table above as owned by Kayne FRG Holdings, L.P. Kayne FRG Holdings, L.P. may be deemed to be an affiliate of a broker-dealer, but is not itself a broker-dealer. The securities identified in the table above for Kayne FRG Holdings, L.P. were acquired in the ordinary course of business and at the time of acquisition, Kayne FRG Holdings, L.P. had no agreement or understanding, directly or indirectly, with any person to distribute the securities. The address for Kayne FRG Holdings, L.P. is 1800 Avenue of the Stars, 3rd Floor, Los Angeles, California 90067.

(9) As trustee of the Brian DeGustino Revocable Trust, Brian DeGustino has voting and dispositive power over such securities. The Brian DeGustino Revocable Trust may be deemed to be an affiliate of a broker-dealer, but is not itself a broker-dealer. The securities identified in the table above for the Brian DeGustino Revocable Trust were acquired in the ordinary course of business and at the time of acquisition, the Brian DeGustino Revocable Trust had no agreement or understanding, directly or indirectly, with any person to distribute the securities. The address for the Brian DeGustino Revocable Trust is 32 Wedgewood Drive, Hawthorn Woods, Illinois 60047.

(11) David O'Neil may be deemed to be an affiliate of a broker-dealer, but is not himself a broker-dealer. The securities identified in the table above for Mr. O'Neil were acquired in the ordinary course of business and at the time of acquisition, Mr. O'Neil had no agreement or understanding, directly or indirectly, with any person to distribute the securities. The address for Mr. O'Neil is 350 N. Orleans Street, Suite 2N, Chicago, Illinois 60654.

(12) Jeffrey D. Miller may be deemed to be an affiliate of a broker-dealer, but is not himself a broker-dealer. The securities identified in the table above for Mr. Miller were acquired in the ordinary course of business and at the time of acquisition, Mr. Miller had no agreement or understanding, directly or indirectly, with any person to distribute the securities. The address for Mr. Miller is 240 Maplewood Road, Riverside, Illinois 60546.

(13) Doug Rippel is the Chief Executive Officer of American First Finance, Inc., and, as such, is a natural person who may be deemed to have shared voting, investment and/or dispositive power with respect to the securities identified in the table above as owned by American First Finance, Inc. The address for American First Finance, Inc. is 3515 N. Ridge Road, Wichita, Kansas 67205.

(14) Each of Martin Meyer and Fengfeng Ren may be deemed to be an affiliate of a broker-dealer, but is not himself a broker-dealer. The securities identified in the table above for Martin Meyer and Fengfeng Ren were acquired in the ordinary course of business and at the time of acquisition, none of Martin Meyer and Fengfeng Ren had an agreement or understanding, directly or indirectly, with any person to distribute the securities. The address for Martin Meyer and Fengfeng Ren is P.O. Box 553, Tabernash, Colorado, 80478.

(15) Simkins Buddy's LLC is a limited liability company that is managed by its manager, David Simkins, who is a natural person who may be deemed to have shared voting, investment and/or dispositive power with respect to the securities identified in the table above as owned by Simkins Buddy's LLC. The address for Simkins Buddy's LLC is 301 West 41 Street, #406, Miami Beach, Florida 33140.

(16) Nantahala Capital Management, LLC is a Registered Investment Adviser and has been delegated the legal power to vote and/or direct the disposition of securities on behalf of these entities, and is a beneficial owner of such securities. The above shall not be deemed to be an admission by the record owners or these selling stockholders that they are themselves beneficial owners of these securities for purposes of Section 13(d) of the Exchange Act or any other purpose. Wilmot Harkey and Daniel Mack are managing members of Nantahala Capital Management, LLC and may be deemed to have voting and dispositive power over the securities held by such selling stockholders.

(17) 180 Degree Capital Corp. may be deemed to be an affiliate of a broker-dealer, but is not itself a broker-dealer. The securities identified in the table above for 180 Degree Capital Corp. were acquired in the ordinary course of business and at the time of acquisition, 180 Degree Capital Corp. had no agreement or understanding, directly or indirectly, with any person to distribute the securities. The address for 180 Degree Capital Corp. is 7 N. Willow Street, Suite 4B, Montclair, New Jersey 07042.

(18) As executor of the Estate of Paul T. Stoffel, Ronald G. Steinhart has voting and dispositive power over such securities. The address for the Estate of Paul T. Stoffel is 25 Robledo Drive, Dallas, Texas 75230.

(19) As trustee of the William Herbert Hunt Trust, Gage A. Prichard, Sr. has voting and dispositive power over such securities. The address for the William Herbert Hunt Trust is 2101 Cedar Springs Road, Suite 600, Dallas, Texas 75201.

(20) BRC Partners Opportunity Fund, LP is a limited partnership of which BRC Partners Management GP, LLC is the general partner. Bryant Riley is the managing member of BRC Partners Management GP, LLC, and, as such is a natural person who may be deemed to have shared voting, investment and/or dispositive power with respect to the securities identified in the table above as owned by BRC Partners Opportunity Fund, LP. Nicholas Capuano is also a natural person who may be deemed to have shared voting, investment and/or dispositive power with respect to the securities identified in the table above as owned by BRC Partners Opportunity Fund, LP. BRC Partners Opportunity Fund, LP may be deemed to be an affiliate of a broker-dealer, but is not itself a broker-dealer. The securities identified in the table above for BRC Partners Opportunity Fund, LP were acquired in the ordinary course of business and at the time of acquisition, BRC Partners Opportunity Fund, LP had no agreement or understanding, directly or indirectly, with any person to distribute the securities. The address for BRC Partners Opportunity Fund, LP is 11100 Santa Monica Blvd. Suite 800, Los Angeles, California 90025.

(21) Acrewood 2012, LP is a limited partnership of which Acrewood Investment Management, LP is the general partner. Acrewood Investment Management, LP is a limited partnership of which Acrewood GP, LLC is the general partner. Stephen Chang is the managing member of Acrewood GP, LLC, and, as such is a natural person who may be deemed to have shared voting, investment and/or dispositive power with respect to the securities identified in the table above as owned by Acrewood 2012, LP. The address for Acrewood 2012, LP is 40 Morris Avenue, Suite 230, Bryn Mawr, Pennsylvania 19010.

(22) The address for Michael Piper is 105 42nd Street, Virginia Beach, Virginia 23451.

(23) Each of Great American Life Insurance Company and Great American Insurance Company may be deemed to be an affiliate of a broker-dealer, but is not itself a broker-dealer. The securities identified in the table above for Great American Life Insurance Company and Great American Insurance Company were acquired in the ordinary course of business and at the time of acquisition, none of Great American Life Insurance Company and Great American Insurance Company had an agreement or understanding, directly or indirectly, with any person to distribute the securities. The address for each of Great American Life Insurance Company and Great American Insurance Company is 301 E. Fourth Street, Cincinnati, Ohio 45202.

(24) SLRP LLP is a limited liability partnership of which SLP Holding Company, LLC is the general partner. Wanda L. Brown and C. David Brown II, as tenants by the entirety, are natural persons who may be deemed to have shared voting, investment and/or dispositive power with respect to the securities identified in the table above as owned by SLPR, LLP. The address for SLPR, LLP is 390 N. Orange Avenue, Suite 1400, Orlando, Florida 32801.

(25) Tristan Partners, L.P. is a limited partnership of which Cannell Capital LLC is the general partner. J. Carlo Cannell is the managing member of Cannell Capital LLC, and, as such is a natural person who may be deemed to have shared voting, investment and/or dispositive power with respect to the securities identified in the table above as owned by Tristan Partners, L.P. The address for Tristan Partners, L.P. is 245 Meriwether Circle, Alta, Wyoming 83414.

(26) Prelude Opportunity Fund, L.P. is a limited partnership of which Prelude Capital Partner LLC is the general partner. Gavin Saitowitz and Cisco J. del Valle are the managing members of Prelude Capital Partner LLC, and, as such are natural persons who may be deemed to have shared voting, investment and/or dispositive power with respect to the securities identified in the table above as owned by Prelude Opportunity Fund, L.P. The address for Prelude Opportunity Fund, L.P. is 245 Meriwether Circle, Alta, Wyoming 83414.

(27) Drop Bear LLC is a limited liability company that is managed by its majority unitholder Black Maple Capital Partners LP, which is managed by its investment manager, Black Maple Capital Management LP. Robert Barnard is the Chief Executive Officer of Black Maple Capital Management LP, and, as such is a natural person who may be deemed to have shared voting, investment and/or dispositive power with respect to the securities identified in the table above as owned by Drop Bear LLC. The address for Drop Bear LLC is 735 N. Water Street Suite 790 Milwaukee, Wisconsin 53202.

(28) The address for John B. Berding is 4705 Burley Hills Drive, Cincinnati, Ohio 45243.

(29) Punch Micro Cap Partners, LLC is a limited liability company managed by Punch & Associates Investment Management, Inc. The address for Punch Micro Cap Partners, LLC is 7701 France Avenue South, Suite 300 Edina, Minnesota 55435.

(30) The address for Ohsang Kwon is 38 Warren Street, Apt 5C, New York, New York 10007.

(31) The address for David S. Hunt is 2101 Cedar Spring Road, Suite 600, Dallas, Texas 75201.

(32) Tonga Partners, L.P. is a limited partnership of which Cannell Capital LLC is the general partner. J. Carlo Cannell is the managing member of Cannell Capital LLC, and, as such is a natural person who may be deemed to have shared voting, investment and/or dispositive power with respect to the securities identified in the table above as owned by Tonga Partners, L.P. The address for Tonga Partners, L.P. is 245 Meriwether Circle, Alta, Wyoming 83414.

(33) Polar Multi-Strategy Master Fund is managed by its investment adviser, Polar Asset Management Partners Inc. Paul Sabourin is the Chief Investment Officer of Polar Asset Management Partners, Inc., and, as such is a natural person who may be deemed to have shared voting, investment and/or dispositive power with respect to the securities identified in the table above as owned by Polar Multi-Strategy Master Fund. The address for Polar Multi-Strategy Master Fund is c/o Polar Asset Management Partners Inc., 401 Bay Street Suite 1900, P.O. Box 19, Toronto, Ontario M5H 2Y4.

(34) The address for Matthew Avril is 216 Ocean Way, Vero Beach, Florida 32963.

(35) As trustee of the John B. Berding Irrevocable Family Trust, Susan M. Berding has voting and dispositive power over such securities. The address for John B. Berding Irrevocable Family Trust is 4705 Burley Hills Drive, Cincinnati, Ohio 45243.

(36) Rangeley Capital Partners Special Opportunities Fund, L.P., Rangeley Capital Partners, LP and Rangeley Capital Partners II, LP are limited partnerships of which Rangeley Capital GP, LLC is the general partner and Rangeley Capital, LLC is the investment manager. Christopher DeMuth, Jr. is the managing partner of Rangeley Capital GP, LLC and the managing member of Rangeley Capital, LLC, and as such is a natural person who may be deemed to have shared voting, investment and/or dispositive power with respect to the securities identified in the table above as owned by Rangeley Capital Partners Special Opportunities Fund, L.P., Rangeley Capital Partners, LP and Rangeley Capital Partners II, LP. The address for each of Rangeley Capital Partners Special Opportunities Fund, L.P., Rangeley Capital Partners, L.P. and Rangeley Capital Partners II, L.P. is 3 Forest Street, New Canaan, Connecticut 06840.

(37) John B. Berding is the Manager of Denman Street, LLC and, as such, is a natural person who may be deemed to have shared voting, investment and/or dispositive power with respect to the securities identified in the table above as owned by Denman Street, LLC. The address for Denman Street, LLC is 4705 Burley Hills Drive, Cincinnati, Ohio 45243.

(38) Credentia Partners Fund I, LP is a limited partnership of which Credentia Group LLC is the general partner. Michael Bamburg is a member of Credentia Group LLC, and, as such is a natural person who may be deemed to have shared voting, investment and/or dispositive power with respect to the securities identified in the table above as owned by Credentia Partners Fund I, LP. The address for Credentia Partners Fund I, LP is 17005 Max Ct, Village of Loch Lloyd, Missouri 64012.

(39) AFOB FIB MS, LLC is a limited liability company managed by AFO Blackberry, LLC. The following members of AFO Blackberry, LLC are natural persons who may be deemed to have shared voting, investment and/or dispositive power with respect to the securities identified in the table above as owned by AFOB FIB MS, LLC: Elizabeth Asher, Fred Goldman, Andrew Russell and John Rijo. The address for AFOB FIB MS, LLC is 111 W. Jackson Blvd, Suite 20000, Chicago, Illinois 60604.

(40) Bulldog Investors, LLC is the investment adviser of Special Opportunities Fund, Inc., a closed-end investment company. Andrew Dakos and Phillip Goldstein, members of Bulldog Investors, LLC are natural persons who may be deemed to have shared voting, investment and/or dispositive power with respect to the securities identified in the table above as owned by Special Opportunities Fund, Inc. The address for Special Opportunities Fund, Inc. is c/o Bulldog Investors, LLC, Park 80 West–Plaza Two, 250 Pehle Avenue, Suite 708, Saddle Brook, New Jersey 07663.

(41) Each of Bryant and Carleen Riley may be deemed to be an affiliate of a broker-dealer, but is not himself or herself a broker-dealer. The securities identified in the table above for Bryant and Carleen Riley were acquired in the ordinary course of business and at the time of acquisition, none of Bryant and Carleen Riley had an agreement or understanding, directly or indirectly, with any person to distribute the securities. The address of Bryant and Carleen Riley JTWROS is 826 Greentree Road, Pacific Palisades, California 90272.

(42) As trustee of the Robert Antin Children Irrevocable Trust Dtd 1/1/2001, Bryant Riley has voting and dispositive power over such securities. The Robert Antin Children Irrevocable Trust Dtd 1/1/2001 may be deemed to be an affiliate of a broker-dealer, but is not itself a broker-dealer. The securities identified in the table above for the Robert Antin Children Irrevocable Trust Dtd 1/1/2001 were acquired in the ordinary course of business and at the time of acquisition, the Robert Antin Children Irrevocable Trust Dtd 1/1/2001 had no agreement or understanding, directly or indirectly, with any person to distribute the securities. The address for the Robert Antin Children Irrevocable Trust Dtd 1/1/2001 is 11100 Santa Monica Blvd. Suite 800, Los Angeles, California 90025.

(43) Ardsley Partners Renewable Energy Fund, L.P. is a limited partnership of which Ardsley Advisory Partners LP is the general partner. Spencer Hempleman is a natural person who may be deemed to have shared voting, investment and/or dispositive power with respect to the securities identified in the table above as owned by Ardsley Partners Renewable Energy Fund, L.P. The address for Ardsley Partners Renewable Energy Fund, L.P. is 262 Harbor Drive, Stamford, Connecticut 06902.

(44) Manatuck Hill Scout Fund, LP is a limited partnership of which Manatuck Hill Partners, LLC is the general partner. Mark Broach is the managing member of Manatuck Hill Partners, LLC, and, as such is a natural person who may be deemed to have shared voting, investment and/or dispositive power with respect to the securities identified in the table above as owned by Manatuck Hill Scout Fund, LP. The address for Manatuck Hill Scout Fund, LP is 1465 Post Road East Westport, Connecticut 06880.

(45) Acrewood 2014, LP is a limited partnership of which Acrewood Investment Management, LP is the general partner. Acrewood Investment Management, LP is a limited partnership of which Acrewood GP, LLC is the general partner. Stephen Chang is the managing member of Acrewood GP, LLC, and, as such is a natural person who may be deemed to have shared voting, investment and/or dispositive power with respect to the securities identified in the table above as owned by Acrewood 2014, LP. The address for Acrewood 2014, LP is 40 Morris Avenue, Suite 230, Bryn Mawr, Pennsylvania 19010.

(46) Tristan Offshore Fund, Ltd. is a Cayman Islands Exempted Company managed by Cannell Capital LLC. J. Carlo Cannell is the managing member of Cannell Capital LLC, and, as such is a natural person who may be deemed to have shared voting, investment and/or dispositive power with respect to the securities identified in the table above as owned by Tristan Offshore Fund, Ltd. The address for Tristan Offshore Fund, Ltd. is P.O. Box 897, Windward1, Regatta Office Park, Grand Cayman KY1-1103, Cayman Islands.

(47) The address for William M. Laurence is 11 Southfield Court, Needham, Massachusetts 02492.

(48) Jerald M. Weintraub is the President of Weintraub Capital Management LLC, the general partner of Weintraub Capital Management, L.P., and in such capacity holds voting and dispositive power over the securities identified in the table above as owned by Weintraub Capital Management, L.P. The address for Weintraub Capital Management, L.P. is 3527 Mt. Diablo Boulevard #322, Lafayette, California 94549.

(49) Hunt Technology Ventures, L.P. is a limited partnership of which D.S. Hunt Corporation is the general partner. David S. Hunt is the President of D.S. Hunt Corporation, and, as such is a natural person who may be deemed to have shared voting, investment and/or dispositive power with respect to the securities identified in the table above as owned by Hunt Technology Ventures, L.P. The address for Hunt Technology Ventures, L.P. is 2101 Cedar Springs Road, Suite 600, Dallas, Texas 75201.

(50) Kingdom Investments, Limited is a limited partnership of which the William Herbert Hunt Trust Estate is the general partner. Gage A. Prichard, Sr. is trustee of the William Herbert Hunt Trust Estate, and, as such is a natural person who may be deemed to have shared voting, investment and/or dispositive power with respect to the securities identified in the table above as owned by Kingdom Investments, Limited. The address for Kingdom Investments, Limited is 2101 Cedar Springs Road. Suite 600, Dallas, Texas 75201.

(51) Placid Ventures, L.P. is a limited partnership of which Propel Corporation is the general partner. David S. Hunt is the President of Propel Corporation, and, as such is a natural person who may be deemed to have shared voting, investment and/or dispositive power with respect to the securities identified in the table above as owned by Placid Ventures, L.P. The address for Placid Ventures, L.P. is 2101 Cedar Springs Road. Suite 600, Dallas, Texas 75201.

(52) Manatuck Hill Mariner Master Fund, LP is a limited partnership of which Manatuck Hill Partners, LLC is the general partner. Mark Broach is the managing member of Manatuck Hill Partners, LLC, and, as such is a natural person who may be deemed to have shared voting, investment and/or dispositive power with respect to the securities identified in the table above as owned by Manatuck Hill Mariner Master Fund, LP. The address for Manatuck Hill Mariner Master Fund, LP is 1465 Post Road East, Westport, Connecticut 06880.

(53) The address for L. Kevin Dann is 10 Rapids Lane, Greenwich, Connecticut 06831.

(54) The address for Patrick Sullivan is 1438 W. Chesnut Street Apt. 3F, Chicago, Illinois 60642.

(55) The address for Lydia Hunt Allred is 8235 Douglas Avenue, Suite 1300, Dallas, Texas 75225.

(56) Glynn Venture Group LLC is a limited liability company that is managed by its manager, Neil G. Glynn, who is a natural person who may be deemed to have shared voting, investment and/or dispositive power with respect to the securities identified in the table above as owned by Glynn Venture Group LLC. The address for Glynn Venture Group LLC is 83 Central Street, Boston, Massachusetts 02109.

(57) The address for Karen K. Moraitis IRA is 631 Middle River Drive, Fort Lauderdale, Florida 33304.

(58) The address for Matthew E. and Kathleen B. Avril is 216 Ocean Way, Vero Beach, Florida 32963.

(59) The address for Raymond Lange Gellein Jr. is 642 N. Interlachen Avenue, Winter Park, Florida 32789.

(60) Saker Partners LP is a limited partnership of which Saker Management LP is the general partner. The general partner of Saker Management LP is AMG Capital LLC and Andrew Greenberg is the managing member of AMG Capital LLC, and, as such is a natural person who may be deemed to have shared voting, investment and/or dispositive power with respect to the securities identified in the table above as owned by Saker Partners LP. The address for Saker Partners LP is 444 N. Wells Street, Suite 504, Chicago, Illinois 60654.

(61) As trustee of Lydia Hunt – Herbert Trusts – Douglas Herbert Hunt, Walter P. Roach has voting and dispositive power over such securities. The address for Lydia Hunt – Herbert Trusts – Douglas Herbert Hunt is 8235 Douglas Avenue, Suite 1300, Dallas, Texas 75225.

(62) The address for David Abell is 900 S. U.S. Hwy 1, Suite 204, Jupiter, Florida 33477.

(63) As trustee of the Kelleher Family Trust, Thomas J. Kelleher and his wife, Mary Meighan Kelleher, have voting and dispositive power over such securities. The Kelleher Family Trust may be deemed to be an affiliate of a broker-dealer, but is not itself a broker-dealer. The securities identified in the table above for the Kelleher Family Trust were acquired in the ordinary course of business and at the time of acquisition, the Kelleher Family Trust had no agreement or understanding, directly or indirectly, with any person to distribute the securities. The address for the Kelleher Family Trust is 29646 Ridgeway Drive, Agoura Hills, California 91301.

(64) The address for Lydia Hunt – Herbert Trusts – Bruce William Hunt is 2101 Cedar Springs Road, Suite 600, Dallas, Texas 75201. As trustee of Lydia Hunt – Herbert Trusts – Bruce William Hunt, Walter P. Roach has voting and dispositive power over such securities.

(65) Carter Hunt is a natural person who may be deemed to have shared voting, investment and/or dispositive power with respect to the securities identified in the table above as owned by MACABA, LLC. The address for MACABA, LLC is 2101 Cedar Springs Road, Suite 600, Dallas, Texas 75201.

(66) Leed Silverfield, Rebecca Silverfield and Ryan Silverfield are natural persons who may be deemed to have shared voting, investment and/or dispositive power with respect to the securities identified in the table above as owned by Lery Development Corp. The address for Lery Development Corp. is 10175 Fortune Parkway, Suite 1005, Jacksonville, Florida 32256.

(67) The address for Steven B. Malkenson is 70 Perry Street, Apt. #4, New York, New York 10014.

(68) As trustee of the Jon D. and Linda W, Gruber Trust, Jon D. Gruber has voting and dispositive power over such securities. The address for the Jon D. and Linda W. Gruber Trust is 300 Tamal Plaza, Suite 280, Corte Madera, California 94925.

(69) William Powell has been the Chief Executive Officer of American Freight from February 2020 to present. Mr. Powell was formerly the Chief Executive Officer of Sears Outlet from October 2019 through February 2020. The address for Mr. Powell is 226 Plymouth Drive, Bay Village, Ohio 44140.

(70) Manatuck Hill Navigator Master Fund, LP is a limited partnership of which Manatuck Hill Partners, LLC is the general partner. Mark Broach is the managing member of Manatuck Hill Partners, LLC, and, as such is a natural person who may be deemed to have shared voting, investment and/or dispositive power with respect to the securities identified in the table above as owned by Manatuck Hill Navigator Master Fund, LP. The address for Manatuck Hill Navigator Master Fund, LP is 1465 Post Road East, Westport, Connecticut 06880.

(71) Robert D'Agostino is a member of the board of directors of B. Riley Financial, Inc. The address for Mr. D'Agostino is 6279 Pidcock Creek Road, New Hope, Pennsylvania 18938.

(72) As trustee of the Allred 2002 Trust – HHA and the Allred 2002 Trust – NLA, Brittny Allred has voting and dispositive power over such securities. The address for the Allred 2002 Trust – HHA and the Allred 2002 Trust – NLA is 8235 Douglas Avenue, Suite 1300, Dallas, Texas 75225.

(73) Cuttyhunk Master Portfolio is a sub trust of a Cayman Islands Umbrella Trust, the Optima Umbrella Trust, which is managed by Optima Managers GP-MM LLC. J. Carol Cannell is a natural person who may be deemed to have shared voting, investment and/or dispositive power with respect to the securities identified in the table above as owned by Cuttyhunk Master Portfolio. The address for Cuttyhunk Master Portfolio is P.O. Box 309, Ugland House, George Town, Grand Cayman, KY1-1104.

(74) The address for Jeffrey H. Cutshall is 3921 Windsor Avenue, Dallas, Texas 75205.

(75) The address for Richard J. Reisman is 1717 Boulder Street, Denver, Colorado 80211.

(76) The address for Adam Silverman is 5 Paragon Drive, Montvale, New Jersey 07645.

(77) The address for Kenneth Silverman is 160 Jeremy Hill Road, Pelham, New Hampshire 03076.

(78) The address for Ben R. Strickland is 2101 Cedar Springs Road, Suite 600, Dallas, Texas 75201.

(79) The address for James D. Blue is 159 Farm Lane, Westwood, Massachusetts 02090.

(80) Daniel Shribman may be deemed to be an affiliate of a broker-dealer, but is not himself a broker-dealer. The securities identified in the table above for Mr. Shribman were acquired in the ordinary course of business and at the time of acquisition, Mr. Shribman had no agreement or understanding, directly or indirectly, with any person to distribute the securities. The address for Mr. Shribman is 270 Taconic Road, Greenwich Connecticut 06831.

(81) The address for Eric Seeton is 325 Prospect Street, Shrewsbury, Massachusetts 01545.

(82) Andrew Moore is the Chief Executive Officer of B. Riley FBR, Inc. Mr. Moore may be deemed to be an affiliate of a broker-dealer, but is not himself a broker-dealer. The securities identified in the table above for Mr. Moore were acquired in the ordinary course of business and at the time of acquisition, Mr. Moore had no agreement or understanding, directly or indirectly, with any person to distribute the securities. The address for Mr. Moore is 521 24th Street, Manhattan Beach, California 90266.

(83) The address for Andrew F. Kaminsky is c/o Franchise Group, Inc., 1716 Corporate Landing Parkway, Virginia Beach, Virginia 23454.

(84) The address for Herbert Hunt Allred is 8235 Douglas Avenue, Suite 1300, Dallas, Texas 75225.

(85) The address for Taylor F. Hunt is 2101 Cedar Springs Road, Suite 600, Dallas, Texas 75201.

(86) The address for Davin P. Hunt is 2101 Cedar Spring Road, Suite 600, Dallas, Texas 75201.

(87) Bryant Riley is the custodian of Bryant Riley C/F Abigail Riley UTMA CA, Bryant Riley C/F Charlie Riley UTMA CA, Bryant Riley C/F Eloise Riley UTMA CA and Bryant Riley C/F Susan Riley UTMA CA is 826 Greentree Road Pacific Palisades, CA 90272 (collectively, the "Riley Trusts"). The Riley Trusts may be deemed to be affiliates of broker-dealers, but are not themselves broker-dealers. The securities identified in the table above for the Riley Trusts were acquired in the ordinary course of business and at the time of acquisition, none of the Riley Trusts had an agreement or understanding, directly or indirectly, with any person to distribute the securities. The address for the Riley Trusts is 826 Greentree Road Pacific Palisades, California 90272.

(88) Joseph Robert Nardini is an employee of B. Riley FBR, Inc. Mr. Nardini may be deemed to be an affiliate of a broker-dealer, but is not himself a broker-dealer. The securities identified in the table above for Mr. Nardini were acquired in the ordinary course of business and at the time of acquisition, Mr. Nardini had no agreement or understanding, directly or indirectly, with any person to distribute the securities. The address for Mr. Nardini is 1545 22nd Street N, Arlington, Virginia 22209.

(89) The address for Bradley Michael Silver is 1827 Corcoran Street NW, Apt. A, Washington, District of Columbia 20009.

(90) The address for Derek Schoettle is 27 Forest Street, Milton, Massachusetts 02186.

(91) Daniel Meitner Ondeck is an employee of B. Riley FBR, Inc. Mr. Ondeck may be deemed to be an affiliate of a broker-dealer, but is not himself a broker-dealer. The securities identified in the table above for Mr. Ondeck were acquired in the ordinary course of business and at the time of acquisition, Mr. Ondeck had no agreement or understanding, directly or indirectly, with any person to distribute the securities. The address for Mr. Ondeck is 13301 Beall Creek Court, Potomac, Maryland 20854.

(92) Jonathan Michael Mitchell is an employee of B. Riley FBR, Inc. Mr. Mitchell may be deemed to be an affiliate of a broker-dealer, but is not himself a broker-dealer. The securities identified in the table above for Mr. Mitchell were acquired in the ordinary course of business and at the time of acquisition, Mr. Mitchell had no agreement or understanding, directly or indirectly, with any person to distribute the securities. The address for Mr. Mitchell is 633 Saint Johns Place, Brooklyn, New York 11226.

(93) Jimmy Baker is an employee of B. Riley FBR, Inc. Mr. Baker may be deemed to be an affiliate of a broker-dealer, but is not himself a broker-dealer. The securities identified in the table above for Mr. Baker were acquired in the ordinary course of business and at the time of acquisition, Mr. Baker had no agreement or understanding, directly or indirectly, with any person to distribute the securities. The address for Mr. Baker is 5608 33rd Street N, Arlington, Virginia 22207.

(94) Patrice McNicoll is an employee of B. Riley FBR, Inc. Mr. McNicoll may be deemed to be an affiliate of a broker-dealer, but is not himself a broker-dealer. The securities identified in the table above for Mr. McNicoll were acquired in the ordinary course of business and at the time of acquisition, Mr. McNicoll had no agreement or understanding, directly or indirectly, with any person to distribute the securities. The address for Mr. McNicoll is 215 West 78th 9A, New York, New York 10024.

(95) The address for Maurice Robert Poplausky is 61 Country Ridge Drive, Rye Brook, New York 10573.

(96) Eric Rajewski is an employee of B. Riley FBR, Inc. Mr. Rajewski may be deemed to be an affiliate of a broker-dealer, but is not himself a broker-dealer. The securities identified in the table above for Mr. Rajewski were acquired in the ordinary course of business and at the time of acquisition, Mr. Rajewski had no agreement or understanding, directly or indirectly, with any person to distribute the securities. The address for Mr. Rajewski is 62 Rancheria Road, Kentfield, California 94904.

(97) The address for Kevin S. Lee is 15 Shepherd Lane, Roslyn Heights, New York 11577.

(98) Lauren Susanne Pollard is Chief Merchandising Officer of American Freight. The address for Ms. Pollard is 6366 Township Road 49, Mansfield, Ohio 44904.

(99) The address for Joseph A. Haverkamp is 301 E. Fourth Street, Cincinnati, Ohio 45202.

(100) Joel David Cady is the Vice President of Sales Training and Development of American Freight. The address for Mr. Cady is 254 Miller Road, Getzville, New York 14068.

(101) Amy R. Redin is the Vice President, Merchandise Planning & Allocation of American Freight. The address for Ms. Redin is1889 Rocklake Court, Lewis Center, Ohio 43035.

(102) The address for Karl James Finley is 1039 Caballo Trail, Gallatin, Tennessee 37066.

(103) John Christopher Batten is the Chief Marketing Officer of American Freight. The address for Mr. Batten is 7815 Soft Rush Drive, Westerville, Ohio 43082.

(104) Ethan MacManus is Vice President of Sales of American Freight. The address for Mr. MacManus is 940 Oxford Street, Hamilton, Ohio 45013.

Material Relationships with the Selling Stockholders

Buddy's Acquisition

On July 10, 2019, we completed the Buddy's Acquisition. At the completion of the Buddy's Acquisition, each common unit of Buddy's outstanding immediately prior to the Buddy's Acquisition was exchanged for 0.091863 shares of Voting Non-Economic Preferred Stock and 0.459315 New Holdco Units. Each of the New Holdco Units held by the Buddy's Members was, together with one-fifth of a share of Voting Non-Economic Preferred Stock held by the Buddy's Members, redeemable in exchange by the Buddy's Members for shares of the our common stock pursuant to the Certificate of Designation and the New Holdco LLC Agreement after an initial six-month lockup period following their issuance, which has expired.

Subscription Agreements

Concurrently with the completion of the Buddy's Acquisition, we entered into a subscription agreement (the "Tributum Closing Subscription Agreement") with Tributum, L.P.. Pursuant to the Tributum Closing Subscription Agreement, concurrently with the completion of the Buddy's Acquisition, we sold Tributum, L.P. approximately 2,083,333 shares of our common stock at a purchase price of $12.00 per share, or $25 million in the aggregate. In addition, concurrently with the completion of the Buddy's Acquisition, we entered into another subscription agreement with Tributum, L.P. (the "Tributum Post-Closing Subscription Agreement" and, together with the Tributum Closing Subscription Agreement, the "Tributum Subscription Agreements") pursuant to which Tributum, L.P. committed to purchase from us additional shares of our common stock at a purchase price of $12.00 per share to the extent such funds were required to fund the tender offer by us of our shares of common stock (the "Tender Offer"). The Tender Offer expired at 5:00 P.M., Eastern Time, on November 13, 2019, and the funds under the Tributum Post-Closing Subscription Agreement were not required to finance the Tender Offer.

Buddy's Asset Acquisition

On September 30, 2019, New Holdco entered into an asset purchase agreement (the "Buddy's Asset Purchase Agreement") with Guzman RTO LLC, a Delaware limited liability company ("Guzman"), RNB RTO LLC, a Delaware limited liability company ("RNB"), and RNBJ RTO LLC, a Delaware limited liability company ("RNBJ" and, collectively with Guzman and RNB, the "Buddy's Sellers"), each of which is a franchisee of Buddy's, pursuant to which New Holdco acquired 21 Buddy's Home Furnishings stores from the Sellers (the "Buddy's Asset Acquisition"). The Buddy's Asset Acquisition was completed on September 30, 2019. In connection with the Buddy's Asset Acquisition, the Buddy's Sellers became entitled to receive, in the aggregate, 1,350,000 New Holdco Units and 270,000 shares of Voting Non-Economic Preferred Stock, which were issued at the direction of the Buddy's Sellers to Vintage RTO, L.P., Samjor Family LP and the Brian DeGustino Revocable Trust (collectively, the "Buddy's Seller Owners"), which are direct or indirect equity holders of the Buddy's Sellers and are also Buddy's Members. Each of such New Holdco Units was, together with one-fifth of a share of Voting Non-Economic Preferred Stock, redeemable in exchange by the Buddy's Seller Owners for one share of our common stock pursuant to the Certificate of Designation and the New Holdco LLC Agreement after an initial six-month lockup period following their issuance, which has expired.

Redemption of Voting Non-Economic Preferred Stock and New Holdco Units

As noted above, in connection with the Buddy's Acquisition and the Buddy's Asset Acquisition, the Buddy's Members and the Buddy's Seller Owners were issued shares of Voting Non-Economic Preferred Stock and New Holdco Units. Each of such New Holdco Units was, together with one-fifth of a share of Voting Non-Economic Preferred Stock held by the Buddy's Members and the Buddy's Seller Owners, redeemable in exchange for one share of our common stock pursuant to the Certificate of Designation and the New Holdco LLC Agreement after an initial six-month lockup period following their issuance, which has expired.

As of April 1, 2020, all shares of outstanding Voting Non-Economic Preferred Stock and New Holdco Units (except for the New Holdco Units held by us) were redeemed for shares of our common stock and no shares of Voting Non-Economic Preferred Stock or New Holdco Units remained outstanding (except for the New Holdco Units held by us).

Certificate of Designation

The Certificate of Designation originally designated 1,616,667 shares of Voting Non-Economic Preferred Stock, substantially all of which were issued to the Buddy's Members as consideration in the Buddy's Acquisition and the remainder of which were issued as consideration in the Buddy's Asset Acquisition.

The Voting Non-Economic Preferred Stock has no economic rights other than to receive $0.01 per share upon the liquidation, dissolution or winding up of the Company prior to any distribution of assets to holders of our common stock or any other class of our capital stock ranking junior to the Voting Non-Economic Preferred Stock in connection with such liquidation, dissolution or winding up of the Company.

With respect to all meetings of our stockholders at which the holders of our common stock are entitled to vote and with respect to any written consent sought by us or any other person from the holders of such common stock, the holders of shares of Voting Non-Economic Preferred Stock vote together with the holders of shares of our common stock as a single class, except as otherwise required under non-waivable provisions of applicable law, and the holders of shares of Voting Non-Economic Preferred Stock are entitled to cast five votes per share of Voting Non-Economic Preferred Stock on any such matter.

As noted above, each one-fifth of a share of Voting Non-Economic Preferred Stock held by the Buddy's Members and the Buddy's Seller Owners, together with one New Holdco Unit held by the Buddy's Members and the Buddy's Seller Owners, was redeemable at the election of the Buddy's Member or the Buddy's Seller Owner that was the holder thereof, following an initial six-month lockup period following their issuance, in exchange for one share of our common stock.

Pursuant to the Certificate of Increase, the number of shares of designated as shares of Voting Non-Economic Preferred Stock was increased from 1,616,667 shares to 1,886,667 shares to account for the shares of Voting Non-Economic Preferred Stock issued as consideration in the Buddy's Asset Acquisition.

As of April 1, 2020, all shares of outstanding Voting Non-Economic Preferred Stock and New Holdco Units (except for the New Holdco Units held by us) were redeemed for shares of our common stock and no shares of Voting Non-Economic Preferred Stock or New Holdco Units remained outstanding (except for the New Holdco Units held by us).

New Holdco LLC Agreement

New Holdco was formed in connection with the Buddy's Acquisition and generally serves as a holding company for our operating subsidiaries. We were the sole manager of New Holdco, and the other members of New Holdco generally had no rights with respect to the management of New Holdco.

As described above, each New Holdco Unit held by the Buddy's Members, together with one-fifth of a share of Voting Non-Economic Preferred Stock held by the Buddy's Members, was redeemable at the election of the Buddy's Member that is the holder thereof, at any time following an initial six-month lockup period following their issuance, which has expired, in exchange for one share of our common stock.

In connection with the Buddy's Asset Acquisition, on September 30, 2019, Schedule 1 to the New Holdco LLC Agreement was amended to reflect the issuance of additional New Holdco Units to the Buddy's Seller Owners.

As of April 1, 2020, all shares of outstanding Voting Non-Economic Preferred Stock and New Holdco Units (except for the New Holdco Units held by us) were redeemed for shares of our common stock and no shares of Voting Non-Economic Preferred Stock or New Holdco Units remained outstanding (except for the New Holdco Units held by us). On April 1, 2020, we entered into the Second Amended and Restated Limited Liability Company Agreement of New Holdco to amend and restate the New Holdco LLC Agreement in its entirety to reflect, among other things, that we are the sole member of New Holdco as a result of these redemptions.

Tax Receivable Agreement

In connection with the Buddy's Acquisition, we and the Buddy's Members entered into an income tax receivable agreement (the "Tax Receivable Agreement"). Subject to certain exceptions set forth in the Tax Receivable Agreement, the Tax Receivable Agreement generally provides for the payment by us to the Buddy's Members of 40% of our realized tax benefit resulting from a redemption of New Holdco Units and Voting Non-Economic Preferred Stock in exchange for our common stock. We generally will retain the benefit of the remaining 60% of any such tax benefit.

Vintage Registration Rights Agreement

Concurrently with the completion of the Buddy's Acquisition, we entered into the Vintage Registration Rights Agreement. The Vintage Registration Rights Agreement provides certain of the Selling Stockholders with certain registration rights applicable to the Vintage Registrable Shares.

Pursuant to the Vintage Registration Rights Agreement, we are required to, as promptly as practicable but in any event no later than January 31, 2020, prepare and file with the SEC a shelf registration statement with respect to the offer and resale of all Vintage Registrable Shares. We must use our reasonable best efforts to, among other things, have such shelf registration statement declared effective under the Securities Act, as promptly as practicable after such filing and maintain the effectiveness of (and availability for use of) such shelf registration statement until such time as there are no Vintage Registrable Shares. Once the shelf registration statement covering the Vintage Registrable Shares is effective, certain Vintage Group Members will have the right to request that we initiate a demand underwritten offering related to Vintage Registrable Shares, subject to certain limitations. Certain Vintage Group Members holding Vintage Registrable Shares, collectively, will have the right to request no more than an aggregate of two such demand underwritten offerings in any 12-month period. Additionally, pursuant to the Vintage Registration Rights Agreement, we granted the registration rights holders piggyback registration rights on the terms and conditions set forth therein.

Voting Agreements

In connection with the Buddy's Acquisition, we agreed to commence the Tender Offer to purchase any and all of the outstanding shares of our common stock for cash at a price of $12.00 per share, without interest. In connection with the Tender Offer, we entered into voting agreements (the "Voting Agreements") with (i) Tributum, L.P. and certain other affiliates of Vintage Capital Management, LLC, (ii) B. Riley Financial, Inc. and certain of its affiliates and (iii) each of the Buddy's Members. Pursuant to the terms of the Voting Agreements, each of the parties thereto (other than us) agreed to, among other things, vote all of their shares of our common stock and Voting Non-Economic Preferred Stock in favor of amendments to the Certificate of Incorporation which provided for, among other things: increasing the number of our authorized shares to 200,000,000, designating 180,000,000 shares of which as common stock and 20,000,000 shares of which as our preferred stock (including the Voting Non-Economic Preferred Stock); requiring that all holders of our common stock would receive consideration in the same form and of the same kind and amount, calculated on a per share basis, in certain fundamental transactions; and requiring that certain transactions with persons owning 20% or more of our then outstanding common stock would require (i) the approval of 66-2/3% of the voting power of our capital stock held by unaffiliated stockholders, (ii) the approval of independent directors or (iii) the satisfaction of certain price requirements.

In addition, subject to certain exceptions set forth in the Voting Agreements, Tributum, L.P. and certain other affiliates of Vintage Capital Management, LLC agreed not to acquire any additional shares of our capital stock to the extent that any such acquisition would cause Vintage Capital Management, LLC and its affiliates to beneficially own more than 105% of the amount of our capital stock that Vintage Capital Management, LLC and its affiliates hold after the completion of the Tender Offer until the date that Vintage Capital Management, LLC and its affiliates cease to beneficially own at least 15% of our outstanding voting stock. Tributum, L.P. and certain other affiliates of Vintage Capital Management, LLC and B. Riley Financial, Inc. and its affiliates also agreed not to tender their shares of common stock in the Tender Offer. On November 13, 2019, we completed the Tender Offer. Each of the Voting Agreements terminated upon the approval by our stockholders of the amendments to the Certificate of Incorporation.

SHOS Acquisition

On October 23, 2019, we completed our acquisition of the Sears Outlet segment and Buddy's Home Furnishing Stores businesses (the "SHOS Acquisition") of Sears Hometown and Outlet Stores, Inc., a Delaware corporation ("SHOS"), pursuant to the terms of the Equity and Asset Purchase Agreement (as amended, the "SHOS Purchase Agreement"), dated as of August 27, 2019, by and among SHOS, Franchise Group Newco S, LLC ("Newco S") and us, solely for the purposes guaranteeing, among other things, the performance of Newco S's obligations and the payment of amounts due to SHOS under the SHOS Purchase Agreement up to and including the closing of the SHOS Acquisition (the "SHOS Closing"), in addition to agreeing to fund a certain equity contribution to Newco S in order to consummate the SHOS Acquisition. Our guarantee and agreement under the SHOS Purchase Agreement terminated upon the closing of the SHOS Acquisition. Immediately prior to the SHOS Closing, Stefac LP, a Delaware limited partnership and an affiliate of Vintage Capital Management, LLC ("Stefac"), Brian R. Kahn and Lauren Kahn, as tenants by the entirety, and B. Riley FBR, Inc. provided us with an aggregate $40 million of equity financing in order to partially fund the SHOS Acquisition through the purchase of shares of our common stock at $12.00 per share pursuant to certain subscription agreements entered into by each SHOS Investor with us.

Vitamin Shoppe Acquisition and Equity Financing

On December 16, 2019, we and Vitamin Shoppe completed the Vitamin Shoppe Merger. In addition, on December 16, 2019, Tributum, L.P. and certain other investors (collectively, the "Vitamin Shoppe Investors") provided us with an aggregate of approximately $31.0 million of equity financing in order to partially fund the closing of the Merger (the "Vitamin Shoppe Closing") and to fund certain costs and expenses related thereto (including the repurchase of Vitamin Shoppe's 2.25% Convertible Senior Notes due 2020 following the Vitamin Shoppe Closing), in cash by wire transfer of immediately available funds, through purchases of shares of our common stock at $12.00 per share under the Equity Commitment Letter, and $25.90 per share in connection with a separate private placement of shares of common stock pursuant to certain subscription agreements entered into by each Vitamin Shoppe Investor with us. Further, on December 16, 2019, we and Tributum, L.P. agreed to amend the Equity Commitment Letter (the "Amendment to Equity Commitment Letter") to provide that any portion of the equity commitment from Tributum, L.P. under the Equity Commitment Letter that is not funded at the Vitamin Shoppe Merger Closing would remain available following the Vitamin Shoppe Merger Closing to fund repurchases of Vitamin Shoppe's 2.25% Convertible Senior Notes due 2020 (the "Convertible Notes"). Such equity commitment to fund the repurchase of the Convertible Notes would remain available until the earlier to occur of (i) the Fundamental Change Repurchase Date (as defined in the Convertible Notes indenture) and (ii) February 14, 2020.

In connection with funding repurchases of Vitamin Shoppe's 2.25% Convertible Senior Notes due 2020, on January 3, 2020, we entered into a subscription agreement with Stefac, pursuant to which Stefac purchased from us 2,354,000 shares of our common, at a purchase price of $12.00 per share for an aggregate purchase price of $28,248,000 in cash. The shares of our common stock were purchased pursuant to the Amendment to Equity Commitment Letter.

Subordinated Note

On May 16, 2019, we entered into a subordinated note (the "Subordinated Note") payable to Vintage Capital Management, LLC. The aggregate principal amount of all loans to be made by Vintage Capital Management, LLC under the Subordinated Note was limited to $10.0 million. We did not make any borrowings under the Subordinated Note, and the Subordinated Note was terminated effective October 2, 2019.

Equity Financing

On February 7, 2020, in connection with our repurchases of the VSI Convertible Notes, the Investors provided us with an aggregate of approximately $65,925,422.32 of equity financing in order for Valor Acquisition, LLC, our subsidiary, to fund the repurchase or redemption of the VSI Convertible Notes and to make interest payments on the VSI Convertible Notes that are not so repurchased or redeemed until their maturity and to also fund our general, working capital and cash needs through purchases of approximately 3,877,964.65 shares of our common stock at $12.00 per share under the Equity Commitment Letter, and $23.00 per share in connection with a separate private placement of shares of our common stock pursuant to Subscription Agreements entered into by each Investor with us (the "Private Placement"). Pursuant to the Equity Commitment Letter, Tributum, L.P. assigned certain of its obligations thereunder to provide a portion of such Equity Financing to the Investors and certain other investors. In connection with the Equity Financing, we agreed to provide the Investors certain registration rights applicable to the Investor Shares.

B. Riley Financial, Inc. Fee Letter

On February 19, 2020, we entered into a fee letter with B. Riley Financial, Inc. pursuant to which B. Riley Financial, Inc. received an equity fee equal to 6% of the $36.0 million of equity raised by it for us in connection with the Private Placement.

AF Credit Agreement and AF Term Loan

On February 14, 2020, the Lead Borrower, New Holdco and various subsidiaries of New Holdco entered into the AF Credit Agreement with the Term Lenders, the Term Administrative Agent and the Term Collateral Agent. The AF Credit Agreement (as amended on March 13, 2020 and May 1, 2020) provides for a $575.0 million senior secured term loan, which consists of a $375.0 million tranche and $200.0 million tranche, made by the Term Lenders to the Lead Borrower and to certain of its subsidiaries party to the AF Credit Agreement as borrowers.

The Term Collateral Agent is an affiliate of Kayne FRG, a Selling Stockholder named in this prospectus. The Term Administrative Agent is an affiliate of Bryant Riley, a Selling Stockholder named in this prospectus.

ABL Credit Agreement and ABL Term Loan

On February 14, 2020, the Lead Borrower, New Holdco and various subsidiaries of New Holdco entered into the ABL Credit Agreement with the ABL Lenders and the ABL Agent. The ABL Credit Agreement (as amended on March 13, 2020, April 3, 2020 and May 1, 2020) provides for a $100.0 million senior secured asset based term loan, made by the ABL Lenders to the Lead Borrower and to certain of its subsidiaries party to the ABL Credit Agreement as borrowers.

The ABL Agent is an affiliate of Bryant Riley, a Selling Stockholder named in this prospectus.

Kayne Subscription Agreement

In addition, on February 14, 2020, we issued the Kayne Subscription Shares to Kayne FRG pursuant to the Kayne Subscription Agreement, as consideration and payment for services rendered by Kayne FRG or its affiliates to us and our affiliates in connection with the AF Credit Agreement and debt financing transactions contemplated thereby.

Kayne Registration Rights Agreement

In connection with the Kayne Subscription Agreement, on February 14, 2020, we entered into the Kayne Registration Rights Agreement. Pursuant to the Kayne Registration Rights Agreement, we are required to, as promptly as practicable but in any event no later than six months from the date of the Kayne Subscription Agreement, prepare and file with the SEC a shelf registration statement on Form S-1 (or Form S-3 if we are eligible to use Form S-3 at such time) with respect to the offer and resale of all Kayne Registrable Shares, or include such Kayne Registrable Shares in any registration statement that we then have on file with the SEC. We are also required to use our reasonable best efforts to, among other things, have such shelf registration statement declared effective under the Securities Act, as promptly as practicable after such filing and maintain the effectiveness of (and availability for use of) such shelf registration statement until such time as there are no Kayne Registrable Shares. Additionally, pursuant to the Kayne Registration Rights Agreement but subject to the terms of the Kayne Subscription Agreement, we granted Kayne FRG piggyback registration rights on the terms and conditions set forth in the Kayne Registration Rights Agreement.

Backstop ABL Commitment Letter

On May 1, 2020, in connection with our acquisition of American Freight and the ABL Credit Agreement, we entered into an Amended and Restated ABL Commitment Letter with B. Riley Financial, Inc. pursuant to which B. Riley Financial, Inc. agreed to provide, subject to the terms and conditions set forth therein, a backstop commitment for a $100 million asset-based lending facility.

American First Finance, Inc. Referral Agreement

American First Finance, Inc. (“AFF”), a Selling Stockholder named in this prospectus, provides certain consumer finance and leasing products to customers of American Freight (the “AFF Program”). On March 26, 2020, we entered into a Referral Agreement with American First Finance Inc. (the “Referral Agreement”) pursuant to which AFF agreed to pay us certain compensation in exchange for allowing AFF to establish and provide the AFF Program. In addition, pursuant to the Referral Agreement, we issued to AFF 529,411.76 shares of our common stock.

Stock Purchase Agreements

On July 19, 2018, John T. Hewitt, our former Chairman of the Board and Chief Executive Officer, entered into a Stock Purchase Agreement, as subsequently amended, with, Vintage Tributum LP, pursuant to which, among other things, Mr. Hewitt agreed to sell to Vintage Tributum LP all of the shares of our Class A common stock and Class B common stock owned directly and indirectly by him (the “Hewitt Sale”). In connection with the Hewitt Sale, the shares of Class B common stock converted into shares of Class A common stock, and following the Sale, no shares of our Class B common stock remained outstanding. In connection with the Hewitt Sale, Vintage Tributum LP also entered into an agreement to purchase shares from additional holders of our securities, including the holder of our exchangeable shares and special voting preferred stock. In connection with the additional purchases, we redeemed the special voting preferred stock, leaving our Class A common stock as the only class of its securities outstanding following the Hewitt Sale. The Hewitt Sale was completed on August 3, 2018.

On August 3, 2018, in connection with the Hewitt Sale, Mr. Hewitt agreed to tender his resignation to our board of directors and agreed to cause several members of our board of directors previously elected to the board of directors by Mr. Hewitt to tender their resignations to the board of directors, in each case, effective upon the closing of the Hewitt Sale. Following the Hewitt Sale, we decreased the size of our board of directors to five members with one vacancy. Also in connection with the Hewitt Sale and at the request of Vintage, we agreed that our board of directors would take all necessary action to increase the size of the board of directors to nine directors, resulting in five vacancies. Vintage indicated to us its intent to fill the five vacancies in the near term by the written consent of at least a majority of the outstanding shares of our Class A common stock (the "Vintage Written Consent") and agreed that at least three of the individuals elected to fill the vacancies would, in Vintage's reasonable judgment, meet the standards necessary for our board of directors to reasonably determine they are "independent" for purposes of the Nasdaq Listing Rules. Our action to increase the size of the board of directors to nine directors would become effective on the date immediately prior to the effective date of the Vintage Written Consent. On August 9, 2018, we received the Vintage Written Consent executed by stockholders representing a majority of the outstanding shares of our Class A common stock electing Brian R. Kahn, Andrew M. Laurence, Matthew Avril, Bryant R. Riley, and Kenneth M. Young as our directors to serve until our next annual meeting of stockholders and until their successors are duly elected and qualified.

Executive Officers, Directors and Employment Agreements

Brian R. Kahn

On October 2, 2019, Brian R. Kahn was appointed our President and Chief Executive Officer. Mr. Kahn also currently serves as a member of our board of directors. Mr. Kahn has served as the investment manager of Vintage Capital Management, LLC and its predecessor, Kahn Capital Management, LLC, since 1998.

Eric Seeton

On October 2, 2019, Eric Seeton was appointed our Chief Financial Officer, effective October 28, 2019.

Andrew M. Laurence

On October 2, 2019, Andrew M. Laurence was appointed our Executive Vice President, effective October 2, 2019. Mr. Laurence also currently serves as a member of our board of directors. In addition, he is a partner of Vintage Capital Management, LLC, which he joined in 2010.

Andrew F. Kaminsky

On October 2, 2019, Andrew F. Kaminsky was appointed our Executive Vice President and Chief Administrative Officer.

Employment Agreements with Messrs. Kahn, Seeton, Laurence, and Kaminsky

On October 2, 2019, we entered into employment agreements with Messrs. Kahn, Seeton, Laurence and Kaminsky (collectively, the "Employment Agreements"), effective as of October 2, 2019 (the "Effective Date"), and the terms of the Employment Agreements are substantially similar to each other, except as described below.

The Employment Agreements provide for an initial three-year term, each beginning on October 2, 2019, unless terminated under the provisions of the Employment Agreements. Thereafter, the Employment Agreements automatically renew for successive one-year terms, unless we or the executive gives written notice of non-renewal at least 90 days prior to the renewal date.

Under the Employment Agreements, Mr. Kahn's annual base salary is $900,000; Mr. Seeton's annual base salary is $400,000; Messrs. Laurence's and Kaminsky's annual base salary each is $500,000, subject to review for potential increases at least once per year by the Board. The executives are eligible to participate in our annual cash incentive plans and programs that are generally provided to senior executives pursuant to the terms and conditions as our board of directors may prescribe from time to time. Additionally, the executives are eligible to participate in our long-term cash and equity incentive plans and programs as are generally provided to other senior executives, as determined by our board of directors in its discretion, and have received (or may be entitled to receive) from time to time grants of options, restricted stock units or similar equity incentives. Under the Employment Agreements, each executive is also eligible to participate in our employee benefit plans as in effect from time to time on the same basis as those benefits generally made available to our other similarly-situated senior executives. Mr. Seeton is also entitled to four weeks of paid time-off per fiscal year, prorated for the first calendar year of employment. The Employment Agreements also entitle the executives to severance benefits upon certain qualifying terminations of their respective employments and include customary confidentiality, non-competition and non-solicitation covenants.

Michael S. Piper

On October 2, 2019, Mr. Piper was appointed Vice President and Chief Financial Officer of Franchise Group Intermediate L1, LLC, our subsidiary. Mr. Piper previously served as our Chief Financial Officer from June 2018 to October 2019. In addition, Mr. Piper served as our Vice President of Financial Products from December 2014 to September 2017. From August 2004 to December 2014, Mr. Piper served us in other roles, including Director of Finance and Director of Financial Products.

Employment Agreement with Mr. Piper

In connection with his service as our Chief Financial Officer, on June 15, 2018, we entered into an employment agreement (the "Piper Employment Agreement") with Mr. Piper, effective as of that date. The initial term of the Piper Employment Agreement ended on July 31, 2019 but automatically extends for successive one-year periods unless written notice of non-renewal is provided by either party at least 90 days prior to the expiration of the then current term.

Under the Piper Employment Agreement, Mr. Piper is entitled to an annual base salary of $346,000 and a one-time signing bonus consisting of the following components: (i) $200,000 payable in cash, (ii) restricted stock units valued at $285,000 as of the date of grant which vest in three equal installments over a three-year period, and (iii) stock options to purchase 175,000 shares of our common stock with an exercise price equal to the fair market value of the shares on the date of grant which vest in three equal installments over a three-year period. Mr. Piper is also entitled to an annual bonus with a target maximum of 80% of his base salary as of the last day of the previous fiscal year, and his eligibility for such annual bonus shall be determined on a basis consistent with other named executive officers. Mr. Piper is entitled to employee and executive benefits, perquisites, reimbursement of expenses and vacation consistent with the benefits provided to executive officers and as otherwise set forth in the Piper Employment Agreement. The Piper Employment Agreement also entitles Mr. Piper to severance benefits upon certain qualifying terminations of his employment. The Piper Employment Agreement also includes customary confidentiality, non-competition and non-solicitation covenants.

Matthew Avril

Matthew Avril has served as a member of our board of directors since September 2018, the chairman of our board of directors since March 2020 and is a self-employed consultant. He is currently a member of the strategic advisory board of Vintage Capital Management, LLC.

Bryant R. Riley

Bryant R. Riley served as a member of our board of directors from September 2018 through March 2020 and has served as Chief Executive Officer and Chairman of B. Riley since June 2014, and as a director since August 2009. Previously, Mr. Riley served as the Co-Chief Executive Officer of B. Riley FBR, Inc. (formerly FBR Capital Markets & Co., LLC) from July 2017 to July 2018, as the Chairman of B. Riley & Co., LLC since founding the stock brokerage firm in 1997 and as Chief Executive Officer of B. Riley & Co., LLC from 1997 to 2006.

Kenneth M. Young

Kenneth M. Young served as a member of our board of directors from September 2018 through March 2020 and currently serves as President of B. Riley Financial, Inc. In addition, Mr. Young serves as Chief Executive Officer for B. Riley Principal Investments, a wholly-owned subsidiary of B. Riley Financial, Inc.

Stock Ownership

As of May 12, 2020, 35,148,658.51 shares of our common stock were issued and outstanding, of which approximately 14,894,633.36 shares of our common stock were held by Brian Kahn and certain related persons, including affiliates or entities managed by Vintage Capital Management, LLC (the "Vintage Group") and 4,622,462 shares of our common stock were held by B. Riley Financial, Inc. and certain of its affiliates.

The significant ownership stakes of the Vintage Group and B. Riley Financial, Inc. and certain of its affiliates enable these stockholders to exercise substantial control over us and our strategic direction. The interests of the Vintage Group and B. Riley Financial, Inc. and its applicable affiliates may be different from the interests of other stockholders.

PLAN OF DISTRIBUTION

We or the Selling Stockholders may offer and sell the applicable securities described in this prospectus and the accompanying registration statement from time to time pursuant to underwritten public offerings, negotiated transactions, block trades or a combination of these methods, through underwriters or dealers, through agents and/or directly or other methods to one or more purchasers. The term "Selling Stockholders" includes any donees, pledgees, assignees, transferees or any of the successors in interest selling securities received after the date of this prospectus from a Selling Stockholder as a gift, pledge, assignment, partnership distribution or other transfer. The Selling Stockholders will act independently of us in making decisions with respect to the timing, manner and size of each sale by them.

We are required to pay all fees and expenses incident to the registration of the securities to be offered and sold by us pursuant to this prospectus, including, without limitation, all registration and filing fees, Nasdaq listing fees and fees and expenses of our counsel and our independent registered public accountants. We are required to pay all fees and expenses incident to the registration of certain of the shares of our common stock to be offered and sold by the Selling Stockholders pursuant to this prospectus.

Sales of the securities may be made on one or more exchanges or in the over-the-counter market, in private transactions with respect to shares sold by the Selling Stockholders, or otherwise, at prices and under terms then prevailing or at prices related to the then current market price or in negotiated transactions. The securities described in this prospectus and the accompanying registration statement may be offered, sold or distributed from time to time in one more of, or a combination of, the following methods:

- purchases by a broker-dealer as principal and resale by such broker-dealer for its own account pursuant to this prospectus;
- ordinary brokerage transactions and transactions in which the broker solicits purchasers;
- block trades in which the broker-dealer so engaged will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- an over-the-counter distribution in accordance with the rules of Nasdaq;
- through trading plans entered into by the Company or a Selling Stockholder pursuant to Rule 10b5-1 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that are in place at the time of an offering pursuant to this prospectus and any applicable prospectus supplement hereto that provide for periodic sales of their securities on the basis of parameters described in such trading plans;
- to or through underwriters, broker-dealers or agents;
- in "at the market" offerings, as defined in Rule 415 under the Securities Act, at negotiated prices, at prices prevailing at the time of sale or at prices related to such prevailing market prices, including sales made directly on a national securities exchange or sales made through a market maker other than on an exchange or other similar offerings through sales agents;
- in privately negotiated transactions;
- in underwritten transactions;
- in options transactions;
- in short sales entered into after the effective date of the registration statement of which this prospectus forms a part;
- by pledge to secure debts and other obligations;
- distributions by the Selling Stockholders to one or more of their direct or indirect equity holders for subsequent sale or distribution; or
- any other method permitted pursuant to applicable law.

In addition, any shares of common stock held by the Selling Stockholders may be sold pursuant to Rule 144 of the Securities Act, if available, or pursuant to other available exemptions from the registration requirements of the Securities Act, rather than pursuant to this prospectus.

To the extent required, this prospectus may be amended or supplemented from time to time to describe a specific plan of distribution or to name any pledgee, transferee, assignee, successor or other transferee that received shares of our common stock from a Selling Stockholder. Pursuant to the Registration Rights Agreements, we are obligated to use reasonable best efforts to amend this registration statement and this prospectus to reflect any distribution of Registrable Shares by a Selling Stockholder to any of its direct or indirect equity holders that does not involve a disposition for value.

We and the Selling Stockholders may enter into derivative transactions with third parties, or sell securities not covered by this prospectus to third parties in privately negotiated transactions. If the applicable prospectus supplement indicates, in connection with those derivatives, the third parties may sell securities covered by this prospectus and the applicable prospectus supplement, including in short sale transactions. If so, the third party may use securities pledged us or any Selling Stockholder or borrowed from us or any Selling Stockholder or others to settle those sales or to close out any related open borrowings of securities, and may use securities received from us or any Selling Stockholder in settlement of those derivatives to close out any related open borrowings of stock. The third party in such sale transactions will be an underwriter and will be identified in the applicable prospectus supplement (or a post-effective amendment). In addition, we and the Selling Stockholders may otherwise loan or pledge securities to a financial institution or other third party that in turn may sell the securities short using this prospectus. Such financial institution or other third party may transfer its economic short position to investors in our securities or in connection with a concurrent offering of other securities.

In effecting sales, we or the Selling Stockholders may engage broker-dealers or agents, who may arrange for other broker-dealers to participate. Broker-dealers or agents may receive commissions, discounts or concessions from us or the Selling Stockholders in amounts to be negotiated immediately prior to the sale.

In offering the shares covered by this prospectus, any broker-dealers who execute sales for the Selling Stockholders may be deemed to be “underwriters” within the meaning of the Securities Act in connection with such sales and the compensation of any broker-dealer may be deemed to be underwriting discounts and commissions.

In order to comply with the securities laws of certain states, if applicable, the securities must be sold in such jurisdictions only through registered or licensed brokers or dealers. In addition, in certain states securities may not be sold unless they have been registered or qualified for sale in the applicable state or an exemption from the registration or qualification requirement is available and is complied with.

We have advised the Selling Stockholders that the anti-manipulation rules of Regulation M under the Exchange Act may apply to sales of shares in the market and to the activities of the Selling Stockholders and their affiliates. In addition, we will make copies of this prospectus available to the Selling Stockholders for the purpose of satisfying the prospectus delivery requirements of the Securities Act. We and the Selling Stockholders may indemnify any broker-dealer that participates in transactions involving the sale of the securities against certain liabilities, including liabilities arising under the Securities Act.

We and the Selling Stockholders have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act. In addition, we or the Selling Stockholders may agree to indemnify any underwriters, broker-dealers and agents against or contribute to any payments the underwriters, broker-dealers or agents may be required to make with respect to, civil liabilities, including liabilities under the Securities Act. Underwriters, broker-dealers and agents and their affiliates are permitted to be customers of, engage in transactions with, or perform services for us and our affiliates or the Selling Stockholders or their affiliates in the ordinary course of business.

At the time a particular offer of securities is made, if required, a prospectus supplement will be distributed that will set forth the number of securities being offered and the terms of the offering, including the name of any underwriter, dealer or agent, the purchase price paid by any underwriter, any discount, commission and other item constituting compensation, any discount, commission or concession allowed or reallowed or paid to any dealer, and the proposed selling price to the public.

Underwriters, dealers and agents may be customers of, engage in transactions with or perform services for, us in the ordinary course of their businesses. We will describe in the applicable prospectus supplement naming the underwriters, dealers or agents, the nature of any material relationship between us and the underwriters, dealers or agents, respectively. Unless otherwise specified in the applicable prospectus supplement, each class or series of our securities issued hereunder will be a new issue with no established trading market, other than our common stock, which is listed on Nasdaq. We may elect to list any other class or series of securities on any exchange, but we are not obligated to do so. It is possible that one or more underwriters may make a market in a class or series of our securities, but the underwriters will not be obligated to do so and may discontinue any market making at any time without notice. We cannot give any assurance as to the liquidity of the trading market for any of these securities.

LEGAL MATTERS

The validity of the securities offered by us has been passed upon for us by Troutman Sanders LLP, Atlanta, Georgia, and for any underwriters or agents by counsel named in the applicable prospectus supplement.

EXPERTS

The financial statements as of and for the transition period ended December 28, 2019, incorporated in this prospectus by reference from the Company's Transition Report on Form 10-K/T for the transition period ended December 28, 2019, and the effectiveness of the Company's internal control over financial reporting have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference. Such financial statements have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The audited consolidated balance sheets of the Company as of April 30, 2019 and 2018, the related consolidated statements of operations, comprehensive income (loss), stockholders' equity, and cash flows for each of the years in the two-year period ended April 30, 2019, and the related notes, and management's assessment of the effectiveness of internal control over financial reporting as of April 30, 2019 have been incorporated by reference herein in reliance upon the reports of Cherry Bekaert LLP, independent registered public accountants, upon the authority of said firm as experts in accounting and auditing.

The audit report on the effectiveness of internal control over financial reporting as of April 30, 2019, expresses an opinion that the Company did not maintain effective internal control over financial reporting as of April 30, 2019, because the control environment, risk assessment, control activities, information and communication, and monitoring controls were not effective.

On October 1, 2019, based on the recommendation of the Audit Committee, the Company's Board of Directors approved a change in the Company's fiscal year end from April 30 to the Saturday closest to December 31 of each year, effective immediately.

The audited consolidated financial statements for Buddy's and its subsidiaries as of and for the years ended December 31, 2018 and 2017, and the related notes have been incorporated by reference herein in reliance upon the report of Rivero, Gordimer & Company, P.A., independent registered public accountants, upon the authority of said firm as experts in accounting and auditing.

The combined financial statements of Sears Outlet Stores (a carve-out business of Sears Hometown and Outlet Stores, Inc.) as of and for the years ended February 2, 2019 and February 3, 2018 incorporated by reference in this prospectus from the Company's Current Report on Form 8-K/A filed on January 8, 2020 have been so incorporated in reliance on the report of BDO USA, LLP, independent auditor, upon the authority of said firm as experts in accounting and auditing.

The consolidated financial statements of Vitamin Shoppe as of and for each of the three fiscal years in the period ended December 29, 2018, incorporated in this prospectus by reference from the Company's Current Report on Form 8-K/A filed on January 8, 2020 have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report, which is incorporated herein by reference. Such consolidated financial statements have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The audited historical financial statements of American Freight Group, Inc. included in Franchise Group, Inc.'s Current Report on Form 8-K/A dated May 4, 2020 have been so incorporated in reliance on the report (which contains an emphasis of matter paragraph relating to American Freight Group, Inc.'s liquidity and a support letter from Franchise Group, Inc. as described in Note 12 to the financial statements) of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

WHERE YOU CAN FIND MORE INFORMATION

We are required to file annual, quarterly and current reports, proxy statements and other information with the SEC. The SEC maintains an internet site at *http://www.sec.gov* that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

Our website address is *www.franchisegrp.com.* Through our website, we make available, free of charge, the following documents as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC, including our Annual Reports on Form 10-K; our proxy statements for our annual and special stockholder meetings; our Quarterly Reports on Form 10-Q; our Current Reports on Form 8-K; Forms 3, 4 and 5 and Schedules 13D with respect to our securities filed on behalf of our directors and our executive officers; and amendments to those documents. The information contained on, or that may be accessed through, our website is not part of, and is not incorporated into, this prospectus.

DOCUMENTS INCORPORATED BY REFERENCE

The SEC allows us to "incorporate by reference" information into this prospectus, which means that we can disclose important information about us by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be part of this prospectus, and information that we file later with the SEC will automatically update and supersede the previously filed information. We incorporate by reference the documents listed below and any future filings made by us with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act (other than any portions of the respective filings that are furnished, rather than filed, pursuant to Item 2.02 or Item 7.01 of Current Reports on Form 8-K including exhibits related thereto or other applicable SEC rules) after the date of the initial registration statement and prior to effectiveness of the registration statement and after the date of this prospectus and prior to the termination of the offering under this prospectus:

- our Transition Report on Form 10-K/T for the transition period ended December 28, 2019, filed with the SEC on April 24, 2020 (File No. 001-35588);
- our Current Reports on Form 8-K and Form 8-K/A, as applicable, filed with the SEC on December 30, 2019, January 6, 2020, January 8, 2020, February 12, 2020, February 18, 2020, March 12, 2020, April 3, 2020, May 4, 2020, May 5, 2020 and May 7, 2020 (File No. 001-35588);
- all other reports filed with the SEC pursuant to Section 13(a) or 15(d) of the Exchange Act, since the end of the transition period covered by our Transition Report on Form 10-K/T referenced above; and
- the description of our capital stock contained in our registration statement on Form 8-A (File No. 001-35588), filed with the SEC on November 13, 2019, as updated by Exhibit 4.4 to our Transition Report on Form 10-K/T for the transition period ended December 28, 2019, filed with the SEC on April 24, 2020 (File No. 001-35588).

Any statement contained in this prospectus, or in a document incorporated or deemed to be incorporated by reference herein, shall be deemed to be modified or superseded to the extent that a statement contained herein, or in any subsequently filed document that also is incorporated or deemed to be incorporated by reference herein, modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

You may request copies of these documents, at no cost to you, by writing or telephoning us at the below address. Exhibits to the filings, however, will not be sent, however, unless those exhibits have specifically been incorporated by reference in this document:

Franchise Group, Inc.
1716 Corporate Landing Parkway
Virginia Beach, Virginia 23454
(757) 493-8855

PART II

Information Not Required in Prospectus

Item 14. Other Expenses of Issuance and Distribution.

	Amount	
SEC registration fee	$ 47,838	*
FINRA fees		**
Trustee's fees		**
Printing expenses		**
Rating agency fees		**
Legal fees and expenses		**
Accounting fees and expenses		**
Blue Sky fees and expenses		**
Miscellaneous		**
Total	$	**

* The registrant previously paid a registration fee in the amount of $58,268.38 in connection with the initial filing of this registration statement on January 31, 2020. The initial filing of this registration statement was for the registration of 21,717,898 shares of the registrant's common stock in connection with the secondary offering. This pre-effective amendment of the registration statement is being filed to, among other things, register an additional 5,108,053.18 shares of the registrant's common stock in connection with the secondary offering. Pursuant to Rule 457(a) of the Securities Act, an additional filing fee of $8,898, computed on the basis of the proposed maximum offering price of the additional securities, is being paid in connection herewith for the secondary offering.

** These fees are calculated based on the securities offered and the number of issuances and accordingly cannot be defined at this time.

Item 15. Indemnification of Directors and Officers.

Our Certificate of Incorporation provides that, except to the extent prohibited by the DGCL, our directors shall not be liable to us or our stockholders for monetary damages for any breach of fiduciary duty as our directors. Under the DGCL, the directors have a fiduciary duty to us, which is not eliminated by these provisions of the Certificate of Incorporation and, in appropriate circumstances, equitable remedies such as injunctive or other forms of nonmonetary relief will remain available. In addition, each director will continue to be subject to liability under the DGCL (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) arising under Section 174 of the DGCL (which covers liability with respect to the unlawful payment of dividends or unlawful stock purchases or redemptions) or (iv) for any transaction from which the director derived an improper personal benefit.

Section 145 of the DGCL empowers a corporation to indemnify its directors and officers and to purchase insurance with respect to liability arising out of their capacity or status as directors and officers. The DGCL provides further that the indemnification permitted thereunder shall not be deemed exclusive of any other rights to which the directors and officers may be entitled under the corporation's bylaws, any agreement, a vote of stockholders or otherwise. Our Certificate of Incorporation and Bylaws provide that we may indemnify and hold harmless, to the fullest extent permitted by applicable law, as may be amended, any person who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he, or a person for whom he is the legal representative, is or was a director or officer of us or is or was serving at our request as a director, officer, manager, employee or agent of another company or of a partnership, limited liability company, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such person.

Item 16. Exhibits.

Exhibit No.	Description
1.1*	Form of Underwriting Agreement
2.1†	Agreement of Merger and Business Combination Agreement dated as of July 10, 2019, among Liberty Tax, Inc., Buddy's Newco, LLC, Franchise Group New Holdco, LLC, Franchise Group B Merger Sub, LLC, and Vintage RTO, L.P. (incorporated by reference to Exhibit 2.1 to Form 8-K, File No. 001-35588 filed on July 11, 2019)
2.2†	Agreement and Plan of Merger, dated as of August 7, 2019, by and among Liberty Tax, Inc., Vitamin Shoppe, Inc. and Valor Acquisition, LLC (incorporated by reference to Exhibit 2.1 to Form 8-K, File No. 001-35588 filed on August 8, 2019)
2.2.1	First Amendment to Agreement and Plan of Merger, dated November 11, 2019, by and among Franchise Group, Inc., Vitamin Shoppe, Inc. and Valor Acquisition, LLC (incorporated by reference to Exhibit 2.1 to Form 8-K, File No. 001-35588 filed on November 12, 2019)
2.3†	Equity and Asset Purchase Agreement, dated as of August 27, 2019, by and between Sears Hometown Outlet Stores, Inc., Franchise Group Newco S, LLC and solely for purposes of Section 10.17 thereto, Franchise Group, Inc. (f/k/a Liberty Tax, Inc.) (incorporated by reference to Exhibit 2.1 to Form 8-K, File No. 001-35588 filed on August 28, 2019)
2.4†	Asset Purchase Agreement, dated as of December 16, 2019, by and among Franchise Group Newco R, LLC, the sellers listed on Schedule I thereto, and Revolution Financial, Inc. as the representative of the sellers (incorporated by reference to Exhibit 2.1 to Form 8-K, File No. 001-35588 filed on December 17, 2019)
2.4.1†	Amendment No. 1, dated as of March 12, 2020, to Asset Purchase Agreement, dated as of December 16, 2019, by and among Franchise Group Newco R, LLC, the sellers listed on Schedule I thereto, and Revolution Financial, Inc. as the representative of the sellers (incorporated by reference to Exhibit 2.1 to Form 8-K, File No. 001-35588 filed on March 12, 2020)
2.4.2	Mutual Termination Agreement, dated as of March 31, 2020, by and among Franchise Group Newco R, LLC, the sellers listed on Schedule I thereto, and Revolution Financial, Inc. as the representative of the sellers (incorporated by reference to Exhibit 2.1 to Form 8-K, File No. 001-35588 filed on April 3, 2020)
2.5†	Agreement and Plan of Merger, dated as of December 28, 2019, by and among Franchise Group Newco Intermediate AF, LLC, American Freight Group, Inc., Franchise Group Merger Sub AF, Inc., and The Jordan Company, L.P., solely in its capacity as representative for the Fully-Diluted Stockholders (incorporated by reference to Exhibit 2.1 to Form 8-K, File No. 001-35588 filed on December 30, 2019)
2.5.1†	Amendment to Agreement and Plan of Merger, dated as of February 14, 2020, by and among American Freight Group, Inc., Franchise Group Newco Intermediate AF, LLC and The Jordan Company, L.P., solely in its capacity as representative for the Fully-Diluted Stockholders (as defined in the Merger Agreement) (incorporated by reference to Exhibit 2.1 to Form 8-K, File No. 001-35588 filed on February 18, 2020)
3.1	Second Amended and Restated Certificate of Incorporation of Liberty Tax, Inc. (incorporated by reference to Exhibit 3.1 to Form 8-K, File No. 001-35588 filed on December 19, 2018)
3.1.1	Certificate of Amendment to the Second Amended and Restated Certificate of Incorporation of Liberty Tax, Inc. (incorporated by reference to Exhibit 3.1 to Form 8-K, File No. 001-35588 filed on September 19, 2019)
3.1.2	Certificate of Designation of the Voting Non-Economic Preferred Stock of Liberty Tax, Inc. filed with the Secretary of State of the State of Delaware July 10, 2019 (incorporated by reference to Exhibit 3.1 to Form 8-K, File No. 001-35588 filed on July 10, 2019)
3.1.3	Certificate of Increase of the Number of Shares of Voting Non-Economic Preferred Stock of Franchise Group, Inc., filed with the Secretary of State of the State of Delaware on September 30, 2019 (incorporated by reference to Exhibit 3.1 to Form 8-K, File No. 001-35588 filed on October 1, 2019)
3.2	Second Amended and Restated Bylaws of Liberty Tax, Inc. (incorporated by reference to Exhibit 3.2 to Form 8-K, File No. 001-35588 filed on July 15, 2014)
4.1	Registration Rights Agreement dated as of July 10, 2019, among Liberty Tax, Inc., Tributum, L.P., the Brian DeGustino Revocable Trust, the Amy DeGustino Revocable Trust, Samjor Family LP, Vintage RTO, L.P., Martin Meyer and Fengfeng Ren, David O'Neil and Jeffrey D. Miller (incorporated by reference to Exhibit 10.2 to Form 8-K, File No. 001-35588 filed on July 11, 2019)
4.1.1	Amendment No. 1 to Registration Rights Agreement, dated as of September 30, 2019, among Franchise Group, Inc., Tributum, L.P., Samjor Family LP, Vintage RTO, L.P., Vintage Capital Management, LLC and Vintage Tributum, LP (incorporated by reference to Exhibit 10.2 to Form 8-K, File No. 001-35588 filed on October 1, 2019)
4.1.2	Amendment No. 2 to Registration Rights Agreement, dated as of October 23, 2019, by and among Franchise Group, Inc., Tributum, L.P., Samjor Family LP, Vintage RTO, L.P., Vintage Capital Management, LLC and Vintage Tributum, LP (incorporated by reference to Exhibit 10.7 to Form 8-K, File No. 001-35588 filed on October 23, 2019)

Exhibit No.	Description
4.1.3	Amendment No. 3 to Registration Rights Agreement, dated as of December 16, 2019, by and among Franchise Group, Inc., Tributum, L.P., Samjor Family LP, Vintage RTO, L.P., Vintage Capital Management, LLC, Vintage Tributum, LP, Stefac LP, B. Riley FBR, Inc. and Brian Kahn and Lauren Kahn, as tenants by the entirety (incorporated by reference to Exhibit 10.6 to Form 8-K, File No. 001-35588 filed on December 17, 2019)
4.1.4#	Amendment No. 4 to Registration Rights Agreement, dated as of January 31, 2020, by and among Franchise Group, Inc., Tributum, L.P., Samjor Family LP, Vintage RTO, L.P., Vintage Capital Management, LLC, Vintage Tributum, LP, Stefac LP, Brian R. Kahn and Lauren Kahn, as tenants by the entirety, and B. Riley FBR, Inc.
4.2	Closing Subscription Agreement, dated as of July 10, 2019, among Liberty Tax, Inc., and Tributum, L.P. (incorporated by reference to Exhibit 10.10 to Form 8-K, File No. 001-35588 filed on July 11, 2019)
4.3	Post-Closing Subscription Agreement dated as of July 10, 2019, among Liberty Tax, Inc., and Tributum, L.P. (incorporated by reference to Exhibit 10.11 to Form 8-K, File No. 001-35588 filed on July 11, 2019)
4.4	Income Tax Receivable Agreement dated as of July 10, 2019, among Liberty Tax, Inc., Vintage RTO, L.P., Samjor Family LP, the Brian DeGustino Revocable Trust, the Amy DeGustino Revocable Trust, Martin Meyer, Fengfeng Ren, David O'Neil and Jeffrey D. Miller (incorporated by reference to Exhibit 10.6 to Form 8-K, File No. 001-35588 filed on July 11, 2019)
4.5	Voting Agreement dated as of July 10, 2019, among Liberty Tax, Inc., the Brian DeGustino Revocable Trust, the Amy DeGustino Revocable Trust, Martin Meyer, Fengfeng Ren, David O'Neil and Jeffrey D. Miller (incorporated by reference to Exhibit 10.3 to Form 8-K, File No. 001-35588 filed on July 11, 2019)
4.6	Voting Agreement dated as of July 10, 2019, among Liberty Tax, Inc., Bryant R. Riley, B. Riley Financial, Inc., BRC Partners Opportunity Fund, L.P., BRC Partners Management GP, LLC., B. Riley Capital Management, LLC, B. Riley FRB, Inc., and Dialectic Antithesis Partners, LP (incorporated by reference to Exhibit 10.4 to Form 8-K, File No. 001-35588 filed on July 11, 2019)
4.7	Voting Agreement dated as of July 10, 2019, among Liberty Tax, Inc., Vintage Tributum LP, Tributum, L.P., Vintage RTO, L.P., Samjor Family LP (incorporated by reference to Exhibit 10.5 to Form 8-K, File No. 001-35588 filed on July 11, 2019)
4.8#	Equity Commitment Letter dated as of August 7, 2019, by and between Liberty Tax, Inc. and Tributum, L.P.
4.8.1	Amendment to Equity Commitment Letter dated as of December 16, 2019 (incorporated by reference to Exhibit 10.5 to Form 8-K, File No. 001-35588 filed on December 17, 2019)
4.9	Subscription Agreement, dated as of October 23, 2019, by and between Franchise Group, Inc. and Stefac LP (incorporated by reference to Exhibit 10.4 to Form 8-K, File No. 001-35588 filed on October 23, 2019)
4.10	Subscription Agreement, dated as of October 23, 2019, by and between Franchise Group, Inc. and B. Riley FBR, Inc. (incorporated by reference to Exhibit 10.5 to Form 8-K, File No. 001-35588 filed on October 23, 2019)
4.11	Subscription Agreement, dated as of October 23, 2019, by and between Franchise Group, Inc. and Brian R. Kahn and Lauren Kahn, as tenants by the entirety (incorporated by reference to Exhibit 10.6 to Form 8-K, File No. 001-35588 filed on October 23, 2019)
4.12	Forms of Subscription Agreement (incorporated by reference to Exhibit 10.4 to Form 8-K, File No. 001-35588 filed on December 17, 2019)
4.13	Subscription Agreement, dated as of January 3, 2020, by and between Franchise Group, Inc. and Stefac LP (incorporated by reference to Exhibit 10.1 to Form 8-K, File No. 001-35588 filed on January 6, 2020)
4.14	First Amended and Restated Limited Liability Company Agreement, dated as of July 10, 2019, among Franchise Group New Holdco, LLC, as the company, Liberty Tax, Inc., the Brian DeGustino Revocable Trust, the Amy DeGustino Revocable Trust, Samjor Family LP, Vintage RTO, L.P., Martin Meyer, Fengfeng Ren, David O'Neil and Jeffrey Miller, each as a member, and Franchise Group, Inc., as the manager (incorporated by reference to Exhibit 10.1 to Form 8-K, File No. 001-35588 filed on July 11, 2019)
4.14.1	Amended Schedule 1 to the First Amended and Restated Limited Liability Company Agreement, dated as of July 10, 2019, among Franchise Group New Holdco, LLC, as the company, Franchise Group, Inc., the Brian DeGustino Revocable Trust, the Amy DeGustino Revocable Trust, Samjor Family LP, Vintage RTO, L.P., Martin Meyer, Fengfeng Ren, David O'Neil and Jeffrey Miller, each as a member, and Franchise Group, Inc., as the manager (incorporated by reference to Exhibit 10.1 to Form 8-K, File No. 001-35588 filed on October 1, 2019)
4.14.2	Second Amended and Restated Limited Liability Company Agreement, dated as of April 1, 2020, between Franchise Group New Holdco, LLC, as the company, and Franchise Group, Inc., as sole member (incorporated by reference to Exhibit 10.18.2 to Form 10-K/T, File No. 001-35588 filed on April 24, 2020)

Exhibit No.	Description
4.15	Forms of Subscription Agreement (incorporated by reference to Exhibit 10.1 to Form 8-K, File No. 001-35588 filed on February 12, 2020)
4.16	Credit Agreement, dated as of February 14, 2020, by and among Franchise Group New Holdco, LLC, Franchise Group Intermediate Holdco, LLC, each of its subsidiaries named therein, the lenders named therein, GACP Finance Co., LLC, as administrative agent, and Kayne Solutions Fund, L.P., as collateral agent (incorporated by reference to Exhibit 10.1 to Form 8-K, File No. 001-35588 filed on February 18, 2020)
4.17	Limited Waiver, Joinder and Amendment Number Two to Credit Agreement, dated as of May 1, 2020, by and among Franchise Group New Holdco, LLC, Franchise Group Intermediate Holdco, LLC, each of its subsidiaries named therein, the lenders named therein and GACP Finance Co., LLC, as administrative agent (incorporated by reference to Exhibit 10.1 to Form 8-K, File No. 001-35588 filed on May 7, 2020)
4.18	ABL Credit Agreement, dated as of February 14, 2020, by and among Franchise Group New Holdco, LLC, Franchise Group Intermediate Holdco, LLC, each of its subsidiaries named therein, the lenders named therein, and GACP Finance Co., LLC, as administrative agent and collateral agent (incorporated by reference to Exhibit 10.3 to Form 8-K, File No. 001-35588 filed on February 18, 2020)
4.19	Joinder and Amendment Number Three to ABL Credit Agreement, dated as of May 1, 2020, by and among Franchise Group New Holdco, LLC, Franchise Group Intermediate Holdco, LLC, each of its subsidiaries named therein, the lenders named therein and GACP Finance Co., LLC, as administrative agent (incorporated by reference to Exhibit 10.2 to Form 8-K, File No. 001-35588 filed on May 7, 2020)
4.20	Subscription Agreement, dated as of February 14, 2020, by and between Franchise Group, Inc. and Kayne FRG Holdings, L.P. (incorporated by reference to Exhibit 10.6 to Form 8-K, File No. 001-35588 filed on February 18, 2020)
4.21	Registration Rights Agreement, dated as of February 14, 2020, by and between Franchise Group, Inc. and Kayne FRG Holdings, L.P. (incorporated by reference to Exhibit 10.7 to Form 8-K, File No. 001-35588 filed on February 18, 2020)
4.22#	Specimen Common Stock Certificate of Franchise Group, Inc.
4.23*	Form of Specimen Preferred Stock Certificate of Franchise Group, Inc.
4.24*	Form of Warrant Agreement
4.25*	Form of Rights Agreement
4.26*	Form of Unit Agreement, including Form of Unit Certificate
4.27	Form of Indenture
5.1	Opinion of Troutman Sanders LLP
23.1	Consent of Deloitte & Touche LLP
23.2	Consent of Cherry Bekaert LLP
23.3	Consent of BDO USA, LLP
23.4	Consent of Deloitte & Touche LLP
23.5	Consent of Rivero, Gordimer & Company, P.A.
23.6	Consent of PricewaterhouseCoopers LLP
23.7	Consent of Troutman Sanders LLP (included in Exhibit 5.1)
24.1#	Power of Attorney (contained on the signature page in Part II of this registration statement).
25.1**	Statement of Eligibility and Qualification on Form T-1 of the trustee under the Senior Indenture pursuant to the Trust Indenture Act of 1939
25.2**	Statement of Eligibility and Qualification on Form T-1 of the trustee under the Subordinated Indenture pursuant to the Trust Indenture Act of 1939

* To be filed, when appropriate, by amendment or as an exhibit to a document to be incorporated by reference herein in connection with an offering of the offered securities.

** To be filed by amendment or pursuant to Section 305(b)(2) of the Trust Indenture Act of 1939, if applicable.

† Schedules to these exhibits have been omitted pursuant to Item 601(b)(2) of Registration S-K. The registrant hereby agrees to furnish a copy of any omitted schedules to the Commission upon request.

Previously filed.

Item 17. Undertakings.

(a) 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;

(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 Securities and Exchange Commission (the "Commission") pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(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 (a)(1)(i), (a)(1)(ii) and (a)(1)(iii) of this section 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 and Exchange Act of 1934, as amended (the "Exchange Act"), 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, 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 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 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 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.

(b) The undersigned registrant hereby undertakes 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 Section 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 the 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.

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 amendment to the registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Virginia Beach, Commonwealth of Virginia, on May 21, 2020.

FRANCHISE GROUP, INC.

/s/ Eric Seeton
Name: Eric Seeton
Title: Chief Financial Officer

Pursuant to the requirements of the Securities Act of 1933, this amendment to the registration statement has been signed below by the following persons in the capacities and on the date indicated.

Signature	Capacity in Which Signed	Date
/s/ Brian R. Kahn Brian R. Kahn	President, Chief Executive Officer and Director (Principal Executive Officer)	May 21, 2020
/s/ Eric Seeton Eric Seeton	Chief Financial Officer (Principal Financial Officer)	May 21, 2020
/s/ * Matthew Avril	Director	May 21, 2020
/s/ * Patrick A. Cozza	Director	May 21, 2020
/s/ * Thomas Herskovits	Director	May 21, 2020
/s/ * Andrew M. Laurence	Executive Vice President and Director	May 21, 2020
/s/ * Lawrence Miller	Director	May 21, 2020
/s/ * G. William Minner, Jr.	Director	May 21, 2020

*By:/s/ Brian R. Kahn
Brian R. Kahn
Attorney-in-Fact

Exhibit 4.27

FRANCHISE GROUP, INC.

and

[_____]

Trustee

INDENTURE

Dated as of [_____]

DEBT SECURITIES

CROSS-REFERENCE TABLE(1)

Section of Trust Indenture Act of 1939, as amended	**Section of Indenture**
310(a)	6.09
310(b)	6.08 6.10
311(a)	6.13
311(b)	6.13
312(a)	4.01 4.04
312(b)	4.04(c)
312(c)	4.04(c)
313(a)	4.03
313(b)	4.03
313(c)	4.03
313(d)	4.03
314(a)	4.02
314(b)	Inapplicable
314(c)	2.04 8.04 9.01(c) 10.01(b) 11.05
314(d)	Inapplicable
314(e)	11.05
314(f)	Inapplicable
315(b)	5.11

Section of Trust Indenture Act of 1939, as amended	**Section of Indenture**
315(c)	6.01
315(d)	6.01 6.02
315(e)	5.12
316(a)	5.09 5.10 7.04
316(b)	5.06 5.10
316(c)	7.02
317(a)	5.04
317(b)	3.04
318(a)	11.07

(1) This Cross-Reference Table does not constitute part of the Indenture and shall not have any bearing on the interpretation of any of its terms or provisions.

TABLE OF CONTENTS

TABLE OF CONTENTS
(continued)

TABLE OF CONTENTS
(continued)

TABLE OF CONTENTS
(continued)

THIS INDENTURE, dated as of [_____] between Franchise Group, Inc., a Delaware corporation (the "Issuer"), and [_____], a [_____] (the "Trustee"),

W I T N E S S E T H :

WHEREAS, the Issuer may from time to time duly authorize the issue of its unsecured debentures, notes or other evidences of indebtedness to be issued in one or more series (the "Securities") up to such principal amount or amounts as may from time to time be authorized in accordance with the terms of this Indenture;

WHEREAS, the Issuer has duly authorized the execution and delivery of this Indenture to provide, among other things, for the authentication, delivery and administration of the Securities; and

WHEREAS, all things necessary to make this Indenture a valid indenture and agreement according to its terms have been done;

NOW, THEREFORE, in consideration of the premises and the purchases of the Securities by the holders thereof, the Issuer and the Trustee mutually covenant and agree for the equal and proportionate benefit of the respective holders from time to time of the Securities as follows:

ARTICLE 1
DEFINITIONS

Section 1.01 ***Certain Terms Defined***. The following terms (except as otherwise expressly provided or unless the context otherwise clearly requires) for all purposes of this Indenture and of any indenture supplemental hereto shall have the respective meanings specified in this Section. All other terms used in this Indenture that are defined in the Trust Indenture Act of 1939 or the definitions of which in the Securities Act of 1933 are referred to in the Trust Indenture Act of 1939, including terms defined therein by reference to the Securities Act of 1933 (except as herein otherwise expressly provided or unless the context otherwise clearly requires), shall have the meanings assigned to such terms in said Trust Indenture Act and in said Securities Act as in force at the date of this Indenture. All accounting terms used herein and not expressly defined shall have the meanings assigned to such terms in accordance with generally accepted accounting principles, and the term "**generally accepted accounting principles**" means such accounting principles as are generally accepted in the United States at the time of any computation. The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision. The terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular.

"**Board of Directors**" means either the Board of Directors of the Issuer or any committee of such Board duly authorized to act on its behalf.

"**Board Resolution**" means a copy of one or more resolutions, certified by the secretary or an assistant secretary of the Issuer to have been duly adopted by the Board of Directors and to be in full force and effect, and delivered to the Trustee.

"**Business Day**" means, with respect to any Security, a day that in the city (or in any of the cities, if more than one) in which amounts are payable, as specified in the form of such Security, is not a day on which banking institutions are authorized or required by law or regulation to close.

"**Commission**" means the Securities and Exchange Commission, as from time to time constituted, created under the Securities Exchange Act of 1934, or if at any time after the execution and delivery of this Indenture such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act of 1939, then the body performing such duties on such date.

"**Common Stock**" means shares of common stock, par value $0.01 per share, of the Issuer as the same exists at the date of execution and delivery of this Indenture or as such stock may be reconstituted from time to time.

"**Corporate Trust Office**" means the office of the Trustee at which the corporate trust business of the Trustee shall, at any particular time, be principally administered, which office is, at the date as of which this Indenture is dated, located at [_____].

"**Debt**" of any Person means any debt for money borrowed which is created, assumed, incurred or guaranteed in any manner by such Person or for which such Person is otherwise responsible or liable, and shall expressly include any such guaranty thereof by such Person. For the purpose of computing the amount of the Debt of any Person there shall be excluded all Debt of such Person for the payment or redemption or satisfaction of which money or securities (or evidences of such Debt, if permitted under the terms of the instrument creating such Debt) in the necessary amount shall have been deposited in trust with the proper depositary, whether upon or prior to the maturity or the date fixed for redemption of such Debt; and, in any instance where Debt is so excluded, for the purpose of computing the assets of such Person there shall be excluded the money, securities or evidences of Debt deposited by such Person in trust for the purpose of paying or satisfying such Debt.

"**Depositary**" means, with respect to the Securities of any series issuable or issued in the form of one or more Global Securities, the Person designated as Depositary by the Issuer pursuant to Section 2.04 until a successor Depositary shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Depositary" shall mean or include each Person who is then a Depositary hereunder, and if at any time there is more than one such Person, "Depositary" as used with respect to the Securities of any such series shall mean the Depositary with respect to the Global Securities of that series.

"**Dollar**" means the currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

"**Event of Default**" means any event or condition specified as such in Section 5.01.

"**Foreign Currency**" means a currency issued by the government of a country other than the United States.

"**Global Security**", means a Security evidencing all or a part of a series of Securities, issued to the Depositary for such series in accordance with Section 2.04, and bearing the legend prescribed in Section 2.04.

"**Holder**", "**holder**", "**holder of Securities**", "**Securityholder**" or other similar terms mean the Person in whose name such Security is registered in the Security register kept by the Issuer for that purpose in accordance with the terms hereof.

"**Indenture**" means this instrument as originally executed and delivered or, if amended or supplemented as herein provided, as so amended or supplemented or both, and shall include the forms and terms of particular series of Securities established as contemplated hereunder.

"**Interest**", unless the context otherwise requires, refers to interest, and when used with respect to non-interest bearing Securities, refers to interest payable after maturity, if any.

"**Issuer**" means Franchise Group, Inc., a Delaware corporation, and, subject to Article 9, its successors and assigns.

"**Issuer Order**" means a written statement, request or order of the Issuer signed in its name by the chairman of the Board of Directors, the president, the chief financial officer, the treasurer or the secretary of the Issuer.

"**Notice of Default**" shall have the meaning set forth in Section 5.01(c).

"**Officer's Certificate**" means a certificate signed by the chairman of the Board of Directors, the president, the chief financial officer, the treasurer or the secretary of the Issuer and delivered to the Trustee. Each such certificate shall comply with Section 314 of the Trust Indenture Act of 1939 and, except to the extent provided herein, shall include the statements provided for in Section 11.05.

"**Opinion of Counsel**" means an opinion in writing signed by the general corporate counsel or such other legal counsel who may be an employee of or counsel to the Issuer and who shall be reasonably satisfactory to the Trustee. Each such opinion shall comply with Section 314 of the Trust Indenture Act of 1939 and shall include the statements provided for in Section 11.05, if and to the extent required hereby.

"**original issue date**" of any Security (or portion thereof) means the earlier of (a) the date of such Security or (b) the date of any Security (or portion thereof) for which such Security was issued (directly or indirectly) on registration of transfer, exchange or substitution.

"**Original Issue Discount Security**" means any Security that provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the maturity thereof pursuant to Section 5.01.

"**Outstanding**", when used with reference to Securities, shall, subject to the provisions of Section 7.04, mean, as of any particular time, all Securities authenticated and delivered by the Trustee under this Indenture, except

(a) Securities theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(b) Securities, or portions thereof, for the payment or redemption of which cash or U.S. Government Obligations (as provided for in Section 10.01(a) and Section 10.01(b)) in the necessary amount shall have been deposited in trust with the Trustee or with any paying agent (other than the Issuer) or shall have been set aside, segregated and held in trust by the Issuer for the Holders of such Securities (if the Issuer shall act as its own paying agent); provided, that if such Securities, or portions thereof, are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as herein provided, or provision satisfactory to the Trustee shall have been made for giving such notice; and

(c) Securities in substitution for which other Securities shall have been authenticated and delivered, or which shall have been paid, pursuant to the terms of Section 2.09 (except with respect to any such Security as to which proof satisfactory to the Trustee is presented that such Security is held by a Person in whose hands such Security is a legal, valid and binding obligation of the Issuer), Securities converted into Common Stock or another security of the Issuer pursuant hereto and Securities not deemed outstanding pursuant to Section 12.02.

In determining whether the Holders of the requisite principal amount of Outstanding Securities of any or all series have given any request, demand, authorization, direction, notice, consent or waiver hereunder, the principal amount of an Original Issue Discount Security that shall be deemed to be Outstanding for such purposes shall be the amount of the principal thereof that would be due and payable as of the date of such determination upon a declaration of acceleration of the maturity thereof pursuant to Section 5.01.

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

"**principal**" whenever used with reference to the Securities or any Security or any portion thereof, shall be deemed to include "and premium, if any".

"**record date**" shall have the meaning set forth in Section 2.07.

"**Responsible Officer**", when used with respect to the Trustee, means the chairman of the board of directors, any vice chairman of the board of directors, the chairman of the trust committee, the chairman of the executive committee, any vice chairman of the executive committee, the president, any vice president, the cashier, the secretary, the treasurer, any trust officer, any assistant trust officer, any assistant vice president, any assistant cashier, any assistant secretary, any assistant treasurer, or any other officer or assistant officer of the Trustee customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of his or her knowledge of and familiarity with the particular subject.

"**Security**" or "**Securities**" has the meaning stated in the first recital of this Indenture, or, as the case may be, Securities that have been authenticated and delivered under this Indenture.

"**Security Registrar**" shall have the meaning set forth in Section 4.01(b).

"**Senior Indebtedness**" of a Person means the principal of, premium, if any, interest on, and any other payment due pursuant to any of the following, whether outstanding at the date hereof or hereafter incurred or created:

(a) all of the indebtedness of that Person for money borrowed;

(b) all of the indebtedness of that Person evidenced by notes, debentures, bonds or other securities sold by that Person for money;

(c) all of the lease obligations which are capitalized on the books of that Person in accordance with generally accepted accounting principles;

(d) all indebtedness of others of the kinds described in either of the preceding clauses (a) or (b) above and all lease obligations of others of the kind described in the preceding clause (c) above that the Person, in any manner, assumes or guarantees or that the Person in effect guarantees through an agreement to purchase, whether that agreement is contingent or otherwise; and

(e) all renewals, extensions or refundings of indebtedness of the kinds described in any of the preceding clauses (a), (b) and (d) and all renewals or extensions of leases of the kinds described in either of the preceding clauses (c) or (d) above; unless, in the case of any particular indebtedness, lease, renewal, extension or refunding, the instrument or lease creating or evidencing it or the assumption or guarantee relating to it expressly provides that such indebtedness, lease, renewal, extension or refunding is not superior in right of payment to the Securities.

"**Subsidiary**" means, with respect to any specified Person: (1) any corporation, association or other business entity of which more than 50% of the total voting power entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders' agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and (2) any partnership (a) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (b) the only general partners of which are that Person or one or more Subsidiaries of that Person (or any combination thereof) to the extent such partnership is included in the consolidated financial statements of such Person.

"**Trust Indenture Act of 1939**" (except as otherwise provided in Sections 8.01 and 8.02) means the Trust Indenture Act of 1939 as in force at the date as of which this Indenture was originally executed.

"**Trustee**" means the Person identified as "Trustee" in the first paragraph hereof and, subject to the provisions of Article 6, shall also include any successor trustee. "Trustee" shall also mean or include each Person who is then a trustee hereunder and if at any time there is more than one such Person, "Trustee" as used with respect to the Securities of any series shall mean the trustee with respect to the Securities of such series.

"**U.S. Government Obligation**" means (a) a direct obligation of the United States of America, backed by its full faith and credit, or (b) an obligation 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.

"**vice president**", when used with respect to the Trustee, means any vice president, whether or not designated by a number or a word or words added before or after the title of "vice president".

"**Yield to Maturity**" means the yield to maturity on a series of securities, calculated at the time of issuance of such series, or, if applicable, at the most recent redetermination of interest on such series, and calculated in accordance with accepted financial practice.

ARTICLE 2
SECURITIES

Section 2.01 ***Forms Generally***. The Securities of each series shall be substantially in such form (not inconsistent with this Indenture) as shall be established by or pursuant to one or more Board Resolutions (as set forth in a Board Resolution or, to the extent established pursuant to (rather than set forth in) a Board Resolution, an Officer's Certificate detailing such establishment) or in one or more indentures supplemental hereto, in each case with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture and may have imprinted or otherwise reproduced thereon such legend or legends or endorsements, not inconsistent with the provisions of this Indenture, as may be required to comply with any law or with any rules or regulations pursuant thereto, or with any rules of any securities exchange or to conform to general usage, all as may be determined by the officers executing such Securities as evidenced by their execution of such Securities.

The definitive Securities shall be printed, lithographed or engraved on steel engraved borders or may be produced in any other manner, all as determined by the officers executing such Securities as evidenced by their execution of such Securities.

Section 2.02 ***Form of Trustee's Certificate of Authentication***. The Trustee's certificate of authentication on all Securities shall be in substantially the following form:

This is one of the Securities of the series designated herein and referred to in the within-mentioned Indenture.

[_____], as Trustee

By:

Authorized Officer

Section 2.03 ***Amount Unlimited; Issuable in Series***. The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is unlimited.

The Securities may be issued in one or more series. The terms of a series of Securities (including the terms of any subordination provisions) shall be established prior to the initial issuance thereof in or pursuant to one or more Board Resolutions, or, to the extent established pursuant to (rather than set forth in) a Board Resolution, in an Officer's Certificate detailing such establishment and/or established in one or more indentures supplemental hereto. The terms of such series reflected in such Board Resolution, Officer's Certificate, or supplemental indenture may include the following or any additional or different terms:

(a) the designation of the Securities of the series (which may be part of a series of Securities previously issued) and ranking (including the terms of any subordination provisions) of the series;

(b) the terms and conditions, if applicable, upon which conversion or exchange of the Securities into or for any other securities or property of the Issuer will be effected, including the initial conversion or exchange price or rate and any adjustments thereto, the conversion or exchange period and other provisions in addition to or in lieu of those described herein;

(c) any limit upon the aggregate principal amount of the Securities of the series that may be authenticated and delivered under this Indenture (except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities of the series pursuant to Section 2.08, 2.09, 2.11, 8.05 or 12.03);

(d) if other than Dollars, the Foreign Currency in which the Securities of that series are denominated;

(e) any date on which the principal and interest of the Securities of the series is payable and the right, if any, to extend such date or dates;

(f) the rate or rates at which the Securities of the series shall bear interest, if any, the record date or dates for the determination of holders to whom interest is payable, the date or dates from which such interest shall accrue and on which such interest shall be payable and/or the method by which such rate or rates or date or dates shall be determined, and the right, if any, to extend the interest payment periods and the duration of that extension;

(g) the place or places where the principal of and any interest on Securities of the series shall be payable (if other than as provided in Section 3.02);

(h) the price or prices at which, the period or periods within which and the terms and conditions upon which Securities of the series may be redeemed, in whole or in part, at the option of the Issuer, pursuant to any sinking fund or otherwise;

(i) the obligation, if any, of the Issuer to redeem, repurchase or repay Securities of the series pursuant to any mandatory redemption, sinking fund or analogous provisions or at the option of a Holder thereof and the price or prices at which and the period or periods within which and any terms and conditions upon which Securities of the series shall be redeemed, repurchased or repaid, in whole or in part, pursuant to such obligation;

(j) if other than denominations of $1,000 and any integral multiple thereof, the denominations in which Securities of the series shall be issuable;

(k) if other than the principal amount thereof, the portion of the principal amount of Securities of the series which shall be payable upon declaration of acceleration of the maturity thereof;

(l) if other than the currency in which the Securities of that series are denominated, the currency in which payment of the principal of or interest on the Securities of such series shall be payable;

(m) if the principal of or interest on the Securities of the series is to be payable, at the election of the Issuer or a Holder thereof, in a currency other than that in which the Securities are denominated, the period or periods within which, and the terms and conditions upon which, such election may be made;

(n) the manner in which the amounts of payment of principal of or interest, if any, on the Securities of the series will be determined, if such amounts may be determined by reference to an index based on a currency or currencies or by reference to a commodity, commodity index, stock exchange index or financial index;

(o) if Sections 10.01(b) or 10.01(c) are inapplicable to Securities of such series;

(p) whether and under what circumstances the Issuer will pay additional amounts on the Securities of any series in respect of any tax, assessment or governmental charge withheld or deducted and, if so, whether the Issuer will have the option to redeem such Securities rather than pay such additional amounts;

(q) if the Securities of such series are to be issuable in definitive form (whether upon original issue or upon exchange of a temporary Security of such series) only upon receipt of certain certificates or other documents or satisfaction of other conditions, then the form and terms of such certificates, documents or conditions;

(r) any trustees, authenticating or paying agents, transfer agents or registrars or any other agents with respect to the Securities of such series;

(s) any other events of default or covenants with respect to the Securities of such series in addition to or in lieu of those contained in this Indenture;

(t) if the Securities of the series may be issued in exchange for surrendered Securities of another series, or for other securities of the Issuer, pursuant to the terms of such Securities or securities or of any agreement entered into by the Issuer, the ratio of the principal amount of the Securities of the series to be issued to the principal amount of the Securities or securities to be surrendered in exchange, and any other material terms of the exchange;

(u) the extent to which, if any, payments on the Securities will be subordinated to the payment of Senior Indebtedness of the Issuer; and

(v) any other terms of the series (which may supplement, modify or delete any provision of this Indenture insofar as it applies to such series), including any terms that may be required under applicable law or regulations or advisable in connection with the marketing of Securities of that series.

The Issuer may from time to time, without notice to or the consent of the holders of any series of Securities, create and issue further Securities of any such series ranking equally with the Securities of such series in all respects (or in all respects other than (1) the payment of interest accruing prior to the issue date of such further Securities or (2) the first payment of interest following the issue date of such further Securities). Such further Securities may be consolidated and form a single series with the Securities of such series and have the same terms as to status, redemption or otherwise as the Securities of such series.

Section 2.04 ***Authentication and Delivery of Securities***. The Issuer may deliver Securities of any series executed by the Issuer to the Trustee for authentication together with the applicable documents referred to below in this Section, and the Trustee shall thereupon authenticate and deliver such Securities to or upon the order of the Issuer (contained in the Issuer Order referred to below in this Section) or pursuant to such procedures acceptable to the Trustee and to such recipients as may be specified from time to time by an Issuer Order. If provided for in such procedures, such Issuer Order may authorize authentication and delivery pursuant to oral instructions from the Issuer or its duly authorized agent, which instructions shall be promptly confirmed in writing. In authenticating such Securities and accepting the additional responsibilities under this Indenture in relation to such Securities, the Trustee shall be entitled to receive, and (subject to Section 6.01) shall be fully protected in relying upon:

(a) an Issuer Order requesting such authentication and setting forth delivery instructions if the Securities are not to be delivered to the Issuer;

(b) any Board Resolution, Officer's Certificate and/or executed supplemental indenture referred to in Sections 2.01 and 2.03 by or pursuant to which the forms and terms of the Securities were established;

(c) an Officer's Certificate setting forth the form or forms and terms of the Securities stating that the form or forms and terms of the Securities have been established pursuant to Sections 2.01 and 2.03 and comply with this Indenture, and covering such other matters as the Trustee may reasonably request; and

(d) an Opinion of Counsel to the effect that:

(i) the form or forms and terms of such Securities have been established pursuant to Sections 2.01 and 2.03 and comply with this Indenture,

(ii) the authentication and delivery of such Securities by the Trustee are authorized under the provisions of this Indenture,

(iii) such Securities when authenticated and delivered by the Trustee and issued by the Issuer in the manner and subject to any conditions specified in such Opinion of Counsel, will constitute valid and binding obligations of the Issuer, and

(iv) all laws and requirements in respect of the execution and delivery by the Issuer of the Securities have been complied with, and covering such other matters as the Trustee may reasonably request.

The Trustee shall have the right to decline to authenticate and deliver any Securities under this Section if the Trustee, being advised by counsel, determines that such action may not lawfully be taken by the Issuer or if the Trustee in good faith by its board of directors or board of trustees, executive committee, or a trust committee of directors or trustees or Responsible Officers shall determine that such action would expose the Trustee to personal liability to existing Holders or would affect the Trustee's own rights, duties or immunities under the Securities, this Indenture or otherwise.

The Issuer shall execute and the Trustee shall, in accordance with this Section with respect to the Securities of a series, authenticate and deliver one or more Global Securities that (i) shall represent and shall be denominated in an amount equal to the aggregate principal amount of all of the Securities of such series issued and not yet cancelled, (ii) shall be registered in the name of the Depositary for such Global Security or Securities or the nominee of such Depositary, (iii) shall be delivered by the Trustee to such Depositary or pursuant to such Depositary's instructions and (iv) shall bear a legend substantially to the following effect:

"Unless and until it is exchanged in whole or in part for Securities in definitive registered form, this Security may not be transferred except as a whole by the Depositary to the nominee of the Depositary or by a nominee of the Depositary to the Depositary or another nominee of the Depositary or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary."

Each Depositary designated pursuant to this Section must, at the time of its designation and at all times while it serves as Depositary, be a clearing agency registered under the Securities Exchange Act of 1934 and any other applicable statute or regulation.

Section 2.05 ***Execution of Securities***. The Securities shall be signed on behalf of the Issuer by the chairman of the Board of Directors, the president, the chief financial officer, the treasurer or the secretary of the Issuer. Such signatures may be the manual or facsimile signatures of the present or any future such officers. Typographical and other minor errors or defects in any such reproduction of any such signature shall not affect the validity or enforceability of any Security that has been duly authenticated and delivered by the Trustee.

In case any officer of the Issuer who shall have signed any of the Securities shall cease to be such officer before the Security so signed shall be authenticated and delivered by the Trustee or disposed of by the Issuer, such Security nevertheless may be authenticated and delivered or disposed of as though the person who signed such Security had not ceased to be such officer of the Issuer; and any Security may be signed on behalf of the Issuer by such persons as, at the actual date of the execution of such Security, shall be the proper officers of the Issuer, although at the date of the execution and delivery of this Indenture any such person was not such an officer.

Section 2.06 ***Certificate of Authentication***. Only such Securities as shall bear thereon a certificate of authentication substantially in the form hereinbefore recited, executed by the Trustee by the manual signature of one of its authorized officers, shall be entitled to the benefits of this Indenture or be valid or obligatory for any purpose. The execution of such certificate by the Trustee upon any Security executed by the Issuer shall be conclusive evidence that the Security so authenticated has been duly authenticated and delivered hereunder and that the Holder is entitled to the benefits of this Indenture.

Section 2.07 ***Denomination and Date of Securities; Payments of Interest***. The Securities of each series shall be issuable in denominations established as contemplated by Section 2.03 or, if not so established, in denominations of $1,000 and any integral multiple thereof. The Securities of each series shall be numbered, lettered or otherwise distinguished in such manner or in accordance with such plan as the officers of the Issuer executing the same may determine with the approval of the Trustee, as evidenced by the execution and authentication thereof. Unless otherwise indicated in a Board Resolution, Officer's Certificate or supplemental indenture for a particular series, interest will be calculated on the basis of a 360-day year of twelve 30-day months.

Each Security shall be dated the date of its authentication. The Securities of each series shall bear interest, if any, from the date, and such interest shall be payable on the dates, established as contemplated by Section 2.03.

The Person in whose name any Security of any series is registered at the close of business on any record date applicable to a particular series with respect to any interest payment date for such series shall be entitled to receive the interest, if any, payable on such interest payment date notwithstanding any transfer, exchange or conversion of such Security subsequent to the record date and prior to such interest payment date, except if and to the extent the Issuer shall default in the payment of the interest due on such interest payment date for such series, in which case such defaulted interest shall be paid to the Persons in whose names Outstanding Securities for such series are registered at the close of business on a subsequent record date (which shall be not less than five Business Days prior to the date of payment of such defaulted interest) established by notice given by mail by or on behalf of the Issuer to the Holders of Securities not less than 15 days preceding such subsequent record date. The term "**record date**" as used with respect to any interest payment date (except a date for payment of defaulted interest) for the Securities of any series shall mean the date specified as such in the terms of the Securities of such series established as contemplated by Section 2.03, or, if no such date is so established, if such interest payment date is the first day of a calendar month, the 15th day of the immediately preceding calendar month or, if such interest payment date is the 15th day of a calendar month, the first day of such calendar month, whether or not such record date is a Business Day.

Section 2.08 ***Registration, Transfer and Exchange***. The Issuer will keep at each office or agency to be maintained for the purpose as provided in Section 3.02 for each series of Securities a register or registers in which, subject to such reasonable regulations as it may prescribe, it will provide for the registration of Securities of such series and the registration of transfer of Securities of such series. Such register shall be in written form in the English language or in any other form capable of being converted into such form within a reasonable time. At all reasonable times such register or registers shall be open for inspection by the Trustee.

Upon due presentation for registration of transfer of any Security of any series at any such office or agency to be maintained for the purpose as provided in Section 3.02, the Issuer shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Security or Securities of the same series, maturity date, interest rate and original issue date in authorized denominations for a like aggregate principal amount.

At the option of the Holder thereof, Securities of any series (except a Global Security) may be exchanged for a Security or Securities of such series having authorized denominations and an equal aggregate principal amount, upon surrender of such Securities to be exchanged at the agency of the Issuer that shall be maintained for such purpose in accordance with Section 3.02 and upon payment, if the Issuer shall so require, of the charges hereinafter provided. Whenever any Securities are so surrendered for exchange, the Issuer shall execute, and the Trustee shall authenticate and deliver, the Securities which the Holder making the exchange is entitled to receive. All Securities surrendered upon any exchange or transfer provided for in this Indenture shall be promptly cancelled and disposed of by the Trustee and the Trustee will deliver a certificate of disposition thereof to the Issuer.

All Securities presented for registration of transfer, exchange, redemption or payment shall (if so required by the Issuer or the Trustee) be duly endorsed by, or be accompanied by a written instrument or instruments of transfer in form satisfactory to the Issuer and the Trustee duly executed by, the Holder or his or her attorney duly authorized in writing.

The Issuer may require payment of a sum sufficient to cover any stamp or other tax or other governmental charge that may be imposed in connection with any exchange or registration of transfer of Securities. No service charge shall be made for any such transaction.

The Issuer shall not be required to exchange or register a transfer of (a) any Securities of any series for a period of 15 days immediately preceding the first mailing of notice of redemption of Securities of such series to be redeemed or (b) any Securities selected, called or for which notice of redemption has been provided to the Trustee, in whole or in part, except, in the case of any Security to be redeemed in part, the portion thereof not so to be redeemed.

Notwithstanding any other provision of this Section 2.08, unless and until it is exchanged in whole or in part for Securities in definitive registered form, a Global Security representing all or a portion of the Securities of a series may not be transferred except as a whole by the Depositary for such series to a nominee of such Depositary or by a nominee of such Depositary to such Depositary or another nominee of such Depositary or by such Depositary or any such nominee to a successor Depositary for such series or a nominee of such successor Depositary.

If at any time the Depositary for the Securities of a series notifies the Issuer that it is unwilling or unable to continue as Depositary for the Securities of such series or if at any time the Depositary for the Securities of a series shall no longer be eligible under Section 2.04, the Issuer shall appoint a successor Depositary with respect to the Securities of such series. If a successor Depositary for the Securities of such series is not appointed by the Issuer within 90 days after the Issuer receives such notice or becomes aware of such ineligibility, the Issuer’s determination pursuant to Section 2.03 that the Securities of such series be represented by a Global Security shall no longer be effective and the Issuer will execute, and the Trustee, upon receipt of an Officer’s Certificate for the authentication and delivery of definitive Securities of such series, will authenticate and deliver, Securities of such series in definitive registered form, in any authorized denominations, in an aggregate principal amount equal to the principal amount of the Global Security or Securities representing the Securities of such series, in exchange for such Global Security or Securities.

The Issuer may at any time and in its sole discretion determine that the Securities of any series issued in the form of one or more Global Securities shall no longer be represented by a Global Security or Securities. In such event the Issuer will execute, and the Trustee, upon receipt of an Officer's Certificate for the authentication and delivery of definitive Securities of such series, will authenticate and deliver, Securities of such series in definitive registered form, in any authorized denominations, in an aggregate principal amount equal to the principal amount of the Global Security or Securities representing such series, in exchange for such Global Security or Securities.

The Depositary for such Global Security may surrender such Global Security in exchange in whole or in part for Securities of the same series in definitive registered form in accordance with the two preceding paragraphs or on such other terms as are acceptable to the Issuer and such Depositary. Thereupon, the Issuer shall execute, and the Trustee shall authenticate and deliver, without service charge,

(i) to the Person specified by such Depositary a new Security or Securities of the same series, of any authorized denominations as requested by such Person, in an aggregate principal amount equal to and in exchange for such Person's beneficial interest in the Global Security; and

(ii) to such Depositary a new Global Security in a denomination equal to the difference, if any, between the principal amount of the surrendered Global Security and the aggregate principal amount of Securities authenticated and delivered pursuant to clause (i) above.

Upon the exchange of a Global Security for Securities in definitive registered form, in authorized denominations, such Global Security shall be cancelled by the Trustee. Securities in definitive registered form issued in exchange for a Global Security pursuant to this Section 2.08 shall be registered in such names and in such authorized denominations as the Depositary for such Global Security, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Trustee. The Trustee shall deliver such Securities to or as directed by the Persons in whose names such Securities are so registered.

All Securities issued upon any transfer or exchange of Securities shall be valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Securities surrendered upon such transfer or exchange.

Section 2.09 ***Mutilated, Defaced, Destroyed, Lost and Stolen Securities***. In case any temporary or definitive Security shall become mutilated, defaced or be destroyed, lost or stolen, the Issuer in its discretion may execute, and upon the written request of any officer of the Issuer, the Trustee shall authenticate and deliver a new Security of the same series, maturity date, interest rate and original issue date, bearing a number or other distinguishing symbol not contemporaneously outstanding, in exchange and substitution for the mutilated or defaced Security, or in lieu of and substitution for the Security so destroyed, lost or stolen. In every case the applicant for a substitute Security shall furnish to the Issuer and to the Trustee and any agent of the Issuer or the Trustee such security or indemnity as may be required by them to indemnify and defend and to save each of them harmless and, in every case of destruction, loss or theft, evidence to their satisfaction of the destruction, loss or theft of such Security and of the ownership thereof and in the case of mutilation or defacement shall surrender the Security to the Trustee.

Upon the issuance of any substitute Security, the Issuer may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith. In case any Security which has matured or is about to mature or has been called for redemption in full, or is being surrendered for conversion in full, shall become mutilated or defaced or be destroyed, lost or stolen, the Issuer may, instead of issuing a substitute Security (with the Holder's consent, in the case of convertible Securities), pay or authorize the payment of the same or convert, or authorize conversion of the same (without surrender thereof except in the case of a mutilated or defaced Security), if the applicant for such payment shall furnish to the Issuer and to the Trustee and any agent of the Issuer or the Trustee such security or indemnity as any of them may require to save each of them harmless, and, in every case of destruction, loss or theft, the applicant shall also furnish to the Issuer and the Trustee and any agent of the Issuer or the Trustee evidence to their satisfaction of the destruction, loss or theft of such Security and of the ownership thereof.

Every substitute Security of any series issued pursuant to the provisions of this Section by virtue of the fact that any such Security is destroyed, lost or stolen shall constitute an additional contractual obligation of the Issuer, whether or not the destroyed, lost or stolen Security shall be at any time enforceable by anyone and shall be entitled to all the benefits of (but shall be subject to all the limitations of rights set forth in) this Indenture equally and proportionately with any and all other Securities of such series duly authenticated and delivered hereunder. All Securities shall be held and owned upon the express condition that, to the extent permitted by law, the foregoing provisions are exclusive with respect to the replacement or payment or conversion of mutilated, defaced or destroyed, lost or stolen Securities and shall preclude any and all other rights or remedies notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

Section 2.10 ***Cancellation of Securities; Destruction Thereof***. All Securities surrendered for exchange for Securities of the same series or for payment, redemption, registration of transfer, conversion or for credit against any payment in respect of a sinking or analogous fund, if surrendered to the Issuer or any agent of the Issuer or the Trustee, shall be delivered to the Trustee for cancellation or, if surrendered to the Trustee, shall be cancelled by it; and no Securities shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Indenture. The Trustee shall dispose of cancelled Securities held by it and deliver a certificate of disposition to the Issuer. If the Issuer shall acquire any of the Securities, such acquisition shall not operate as a redemption or satisfaction of the Debt represented by such Securities unless and until the same are delivered to the Trustee for cancellation.

Section 2.11 ***Temporary Securities***. Pending the preparation of definitive Securities for any series, the Issuer may execute and the Trustee shall authenticate and deliver temporary Securities for such series (printed, lithographed, typewritten or otherwise reproduced, in each case in form satisfactory to the Trustee). Temporary Securities of any series shall be issuable in any authorized denomination, and substantially in the form of the definitive Securities of such series but with such omissions, insertions and variations as may be appropriate for temporary Securities, all as may be determined by the Issuer with the concurrence of the Trustee as evidenced by the execution and authentication thereof. Temporary Securities may contain such reference to any provisions of this Indenture as may be appropriate. Every temporary Security shall be executed by the Issuer and be authenticated by the Trustee upon the same conditions and in substantially the same manner, and with like effect, as the definitive Securities. Without unreasonable delay the Issuer shall execute and shall furnish definitive Securities of such series and thereupon temporary Securities of such series may be surrendered in exchange therefor without charge at each office or agency to be maintained by the Issuer for that purpose pursuant to Section 3.02 and the Trustee shall authenticate and deliver in exchange for such temporary Securities of such series an equal aggregate principal amount of definitive Securities of the same series having authorized denominations. Until so exchanged, the temporary Securities of any series shall be entitled to the same benefits under this Indenture as definitive Securities of such series, unless the benefits of the temporary Securities are limited pursuant to Section 2.03.

ARTICLE 3
COVENANTS OF THE ISSUER

Section 3.01 ***Payment of Principal and Interest***. The Issuer covenants and agrees for the benefit of each series of Securities that it will duly and punctually pay or cause to be paid the principal of, and interest on, each of the Securities of such series (together with any additional amounts payable pursuant to the terms of such Securities) at the place or places, at the respective times and in the manner provided in such Securities and in this Indenture. The interest on Securities (together with any additional amounts payable pursuant to the terms of such Securities) shall be payable only to or upon the written order of the Holders thereof and at the option of the Issuer may be paid by mailing checks for such interest payable to or upon the written order of such Holders at their last addresses as they appear on the Security register of the Issuer.

Section 3.02 ***Offices for Payments, Etc***. The Issuer will maintain (i) in Virginia Beach, Virginia, an agency where the Securities of each series may be presented for payment, an agency where the Securities of each series may be presented for exchange and conversion, if applicable, as provided in this Indenture and an agency where the Securities of each series may be presented for registration of transfer as in this Indenture provided and (ii) such further agencies in such places as may be determined for the Securities of such series pursuant to Section 2.03.

The Issuer will maintain in Virginia Beach, Virginia, an agency where notices and demands to or upon the Issuer in respect of the Securities of any series or this Indenture may be served.

The Issuer will give to the Trustee written notice of the location of each such agency and of any change of location thereof. In case the Issuer shall fail to maintain any agency required by this Section to be located in Virginia Beach, Virginia, or shall fail to give such notice of the location or of any change in the location of any of the above agencies, presentations and demands may be made and notices may be served at the Corporate Trust Office of the Trustee.

The Issuer may from time to time designate one or more additional agencies where the Securities of a series may be presented for payment, where the Securities of that series may be presented for exchange or conversion, if applicable, as provided in this Indenture and pursuant to Section 2.03 and where the Securities of that series may be presented for registration of transfer as in this Indenture provided, and the Issuer may from time to time rescind any such designation, as the Issuer may deem desirable or expedient; provided, however, that no such designation or rescission shall in any manner relieve the Issuer of its obligation to maintain the agencies provided for in this Section. The Issuer will give to the Trustee prompt written notice of any such designation or rescission thereof.

Section 3.03 ***Appointment to Fill a Vacancy in Office of Trustee***. The Issuer, whenever necessary to avoid or fill a vacancy in the office of Trustee, will appoint, in the manner provided in Section 6.10, a Trustee, so that there shall at all times be a Trustee with respect to each series of Securities hereunder.

Section 3.04 ***Paying Agents***. Whenever the Issuer shall appoint a paying agent other than the Trustee with respect to the Securities of any series, it will cause such paying agent to execute and deliver to the Trustee an instrument in which such agent shall agree with the Trustee, subject to the provisions of this Section,

(a) that it will hold all sums received by it as such agent for the payment of the principal of or interest on the Securities of such series (whether such sums have been paid to it by the Issuer or by any other obligor on the Securities of such series) in trust for the benefit of the Holders of the Securities of such series or of the Trustee,

(b) that it will give the Trustee notice of any failure by the Issuer (or by any other obligor on the Securities of such series) to make any payment of the principal of or interest on the Securities of such series when the same shall be due and payable, and

(c) that at any time during the continuance of any such failure, upon the written request of the Trustee, it will forthwith pay to the Trustee all sums so held in trust by such paying agent.

The Issuer will, on or prior to each due date of the principal of or interest on the Securities of such series, deposit with the paying agent a sum sufficient to pay such principal or interest so becoming due, and (unless such paying agent is the Trustee) the Issuer will promptly notify the Trustee of any failure to take such action.

If the Issuer shall act as its own paying agent with respect to the Securities of any series, it will, on or before each due date of the principal of or interest on the Securities of such series, set aside, segregate and hold in trust for the benefit of the Holders of the Securities of such series a sum sufficient to pay such principal or interest so becoming due. The Issuer will promptly notify the Trustee of any failure to take such action.

Anything in this Section to the contrary notwithstanding, but subject to Section 10.01, the Issuer may at any time, for the purpose of obtaining a satisfaction and discharge with respect to one or more or all series of Securities hereunder, or for any other reason, pay or cause to be paid to the Trustee all sums held in trust for any such series by the Issuer or any paying agent hereunder, as required by this Section, such sums to be held by the Trustee upon the trusts herein contained.

Anything in this Section to the contrary notwithstanding, the agreement to hold sums in trust as provided in this Section is subject to the provisions of Sections 10.03 and 10.04.

Section 3.05 ***Written Statement to Trustee***. So long as any Securities are Outstanding hereunder, the Issuer will deliver to the Trustee, within 120 days after the end of each fiscal year of the Issuer ending after the date hereof, a written statement covering the previous fiscal year, signed by two of its officers (which need not comply with Section 11.05), stating that in the course of the performance of their duties as officers of the Issuer they would normally have knowledge of any default by the Issuer in the performance or fulfillment of any covenant, agreement or condition contained in this Indenture, stating whether or not they have knowledge of any such default and, if so, specifying each such default of which the signers have knowledge and the nature thereof.

ARTICLE 4
SECURITYHOLDERS LISTS AND REPORTS BY THE ISSUER AND THE TRUSTEE

Section 4.01 ***Issuer to Furnish Trustee Information as to Names and Addresses of Securityholders***. The Issuer covenants and agrees that it will furnish or cause to be furnished to the Trustee a list in such form as the Trustee may reasonably require of the names and addresses of the Holders of the Securities of each series pursuant to Section 312 of the Trust Indenture Act of 1939:

(a) semiannually and not more than 15 days after each record date for the payment of interest on such Securities, as hereinabove specified, as of such record date and on dates to be determined pursuant to Section 2.03 for non-interest bearing Securities in each year, and

(b) at such other times as the Trustee may request in writing, within 30 days after receipt by the Issuer of any such request as of a date not more than 15 days prior to the time such information is furnished, provided, that, if and so long as the Trustee shall be the Security registrar (the "**Security Registrar**") for such series, such list shall not be required to be furnished.

Section 4.02 ***Reports by the Issuer***. The Issuer covenants to comply with Section 314(a) of the Trust Indenture Act insofar as it relates to information, documentations, and other reports which the Issuer may be required to file with the Commission pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934.

Section 4.03 ***Reports by the Trustee***. Any Trustee's report required under Section 313(a) of the Trust Indenture Act of 1939 shall be transmitted on or before the 60th day in each year following the date hereof, so long as any Securities are Outstanding hereunder, and shall be dated as of a date convenient to the Trustee but no more than 60 nor less than 45 days prior thereto. The Trustee shall comply with Sections 313(b), 313(c) and 313(d) of the Trust Indenture Act.

Section 4.04 ***Preservation of Information; Communication with Securityholders***. (a) The Trustee shall preserve, in as current a form as is reasonably practicable, all information as to the names and addresses of the holders of Securities contained in the most recent list furnished to it as provided in Section 4.01 and as to the names and addresses of holders of Securities received by the Trustee in its capacity as Security Registrar (if acting in such capacity).

(b) The Trustee may destroy any list furnished to it as provided in Section 4.01 upon receipt of a new list so furnished.

(c) Securityholders may communicate as provided in Section 312(b) of the Trust Indenture Act with other Securityholders with respect to their rights under this Indenture or under the Securities. The Issuer, the Trustee, the Security Registrar and any other Person shall have the protection of Section 312(c) of the Trust Indenture Act.

ARTICLE 5
REMEDIES OF THE TRUSTEE AND SECURITYHOLDERS ON EVENT OF DEFAULT

Section 5.01 ***Event of Default Defined; Acceleration of Maturity; Waiver of Default***. "Event of Default", with respect to Securities of any series wherever used herein, means each one of the following events which shall have occurred and be continuing (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) default in the payment of any installment of interest upon any of the Securities of such series as and when the same shall become due and payable, and continuance of such default for a period of 90 days (or such other period as may be established for the Securities of such series as contemplated by Section 2.03); or

(b) default in the payment of all or any part of the principal on any of the Securities of such series as and when the same shall become due and payable either at maturity, upon redemption, by declaration or otherwise (and, if established for the Securities of such series as contemplated by Section 2.03, the continuance of such default for a specified period); or

(c) default in the performance, or breach, of any covenant or agreement of the Issuer in respect of the Securities of such series (other than a covenant or agreement in respect of the Securities of such series a default in the performance or breach of which is elsewhere in this Section specifically dealt with), and continuance of such default or breach for a period of 90 days after there has been given, by registered or certified mail, to the Issuer by the Trustee or to the Issuer and the Trustee by the Holders of at least 25% in principal amount of the Outstanding Securities of all series affected thereby, a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder; or

(d) a court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Issuer in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee or sequestrator (or similar official) of the Issuer or for all or substantially all of its property and assets or ordering the winding up or liquidation of its affairs, and such decree or order shall remain unstayed and in effect for a period of 90 consecutive days; or

(e) the Issuer shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary case under any such law, or consent to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee or sequestrator (or similar official) of the Issuer or for any substantial part of its property and assets, or make any general assignment for the benefit of creditors; or

(f) any other Event of Default provided for in such series of Securities.

If an Event of Default described in clauses (a), (b), (c) or (f) occurs and is continuing, then, and in each and every such case, unless the principal of all of the Securities of such series shall have already become due and payable, either the Trustee or the Holders of not less than 25% in aggregate principal amount of the Securities of such series then Outstanding hereunder (each such series voting as a separate class) by notice in writing to the Issuer (and also to the Trustee if given by Securityholders), may declare the entire principal (or, if the Securities of such series are Original Issue Discount Securities, such portion of the principal amount as may be specified in the terms of such series) of all Securities of such series and the interest accrued thereon, if any, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable. If an Event of Default described in clauses (d) or (e) occurs and is continuing, then and in each and every such case, the entire principal (or, if any Securities are Original Issue Discount Securities, such portion of the principal as may be specified in the terms thereof) of all the Securities then Outstanding and interest accrued thereon, if any, shall become immediately due and payable.

The foregoing provisions, however, are subject to the condition that if, at any time after the principal of the Securities of any series shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as hereinafter provided, the Issuer shall pay or shall deposit with the Trustee a sum sufficient to pay all matured installments of interest upon all the Securities of such series and the principal of any and all Securities of such series which shall have become due otherwise than by acceleration (with interest upon such principal and, to the extent that payment of such interest is enforceable under applicable law, on overdue installments of interest, at the same rate as the rate of interest specified in the Securities of such series to the date of such payment or deposit) and such amount as shall be sufficient to cover reasonable compensation to the Trustee, its agents, attorneys and counsel, and all other expenses and liabilities incurred, and all advances made, by the Trustee except as a result of negligence or bad faith, and if any and all Events of Default under the Indenture with respect to such series, other than the non-payment of the principal of Securities of such series which shall have become due by acceleration, shall have been cured, waived or otherwise remedied as provided herein —then and in every such case the Holders of a majority in aggregate principal amount of all the Securities of such series then Outstanding, by written notice to the Issuer and to the Trustee, may waive all defaults with respect to such series and rescind and annul such declaration and its consequences, but no such waiver or rescission and annulment shall extend to or shall affect any subsequent default or shall impair any right consequent thereon.

Unless otherwise indicated in the Board Resolution, Officer's Certificate or supplemental indenture for a series of Original Issue Discount Securities, for all purposes under this Indenture, if a portion of the principal of any Original Issue Discount Securities shall have been accelerated and declared due and payable pursuant to the provisions hereof, then, from and after such declaration, unless such declaration has been rescinded and annulled, the principal amount of such Original Issue Discount Securities shall be deemed, for all purposes hereunder, to be such portion of the principal thereof as shall be due and payable as a result of such acceleration, and payment of such portion of the principal thereof as shall be due and payable as a result of such acceleration, together with interest, if any, thereon and all other amounts owing thereunder, shall constitute payment in full of such Original Issue Discount Securities.

Section 5.02 ***Collection of Debt by Trustee; Trustee May Prove Debt***. The Issuer covenants that (a) in case default shall be made in the payment of any installment of interest on any of the Securities of any series when such interest shall have become due and payable, and such default shall have continued for a period of 30 days or (b) in case default shall be made in the payment of all or any part of the principal of any of the Securities of any series when the same shall have become due and payable, whether upon maturity of the Securities of such series or upon any redemption or by declaration or otherwise—then, upon demand of the Trustee, the Issuer will pay to the Trustee for the benefit of the Holders of the Securities of such series the whole amount that then shall have become due and payable on all Securities of such series for principal or interest, as the case may be (with interest to the date of such payment upon the overdue principal and, to the extent that payment of such interest is enforceable under applicable law, on overdue installments of interest at the same rate as the rate of interest or Yield to Maturity (in the case of Original Issue Discount Securities) specified in the Securities of such series); and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including reasonable compensation to the Trustee and each predecessor trustee, their respective agents, attorneys and counsel, and any expenses and liabilities incurred, and all advances made, by the Trustee and each predecessor trustee except as a result of its negligence or bad faith.

In case the Issuer shall fail forthwith to pay such amounts upon such demand, the Trustee, in its own name and as trustee of an express trust, shall be entitled and empowered to institute any action or proceedings at law or in equity for the collection of the sums so due and unpaid, and may prosecute any such action or proceedings to judgment or final decree, and may enforce any such judgment or final decree against the Issuer or other obligor upon such Securities and collect in the manner provided by law out of the property of the Issuer or other obligor upon such Securities, wherever situated, the moneys adjudged or decreed to be payable.

In case there shall be pending proceedings relative to the Issuer or any other obligor upon the Securities under Title 11 of the United States Code or any other applicable Federal or state bankruptcy, insolvency or other similar law, or in case a receiver, assignee or trustee in bankruptcy or reorganization, liquidator, sequestrator or similar official shall have been appointed for or taken possession of the Issuer or its property or such other obligor or its property, or in case of any other comparable judicial proceedings relative to the Issuer or other obligor upon the Securities of any series, or to the creditors or property of the Issuer or such other obligor, the Trustee, irrespective of whether the principal of any Securities shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand pursuant to the provisions of this Section, shall be entitled and empowered, by intervention in such proceedings or otherwise:

(i) to file and prove a claim or claims for the whole amount of principal and interest (or, if the Securities of any series are Original Issue Discount Securities, such portion of the principal amount as may be specified in the terms of such series) owing and unpaid in respect of the Securities of any series, and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for reasonable compensation to the Trustee and each predecessor trustee, and their respective agents, attorneys and counsel, and for reimbursement of all expenses and liabilities incurred, and all advances made, by the Trustee and each predecessor trustee, except as a result of negligence or bad faith) and of the Securityholders allowed in any judicial proceedings relative to the Issuer or other obligor upon the Securities of any series, or to the creditors or property of the Issuer or such other obligor,

(ii) unless prohibited by applicable law and regulations, to vote on behalf of the Holders of the Securities of any series in any election of a trustee or a standby trustee in arrangement, reorganization, liquidation or other bankruptcy or insolvency proceedings or person performing similar functions in comparable proceedings, and

(iii) to collect and receive any moneys or other property payable or deliverable on any such claims, and to distribute all amounts received with respect to the claims of the Securityholders and of the Trustee on their behalf; and any trustee, receiver or liquidator, custodian or other similar official is hereby authorized by each of the Securityholders to make payments to the Trustee, and, in the event that the Trustee shall consent to the making of payments directly to the Securityholders, to pay to the Trustee such amounts as shall be sufficient to cover reasonable compensation to the Trustee, each predecessor trustee and their respective agents, attorneys and counsel, and all other expenses and liabilities incurred, and all advances made, by the Trustee and each predecessor trustee except as a result of negligence or bad faith and all other amounts due to the Trustee or any predecessor trustee pursuant to Section 6.06.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or vote for or accept or adopt on behalf of any Securityholder any plan of reorganization, arrangement, adjustment or composition affecting the Securities of any series or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Securityholder in any such proceeding except, as aforesaid, to vote for the election of a trustee in bankruptcy or similar person.

All rights of action and of asserting claims under this Indenture, or under any of the Securities of any series, may be enforced by the Trustee without the possession of any of the Securities of such series or the production thereof on any trial or other proceedings relative thereto, and any such action or proceedings instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment, subject to the payment of the expenses, disbursements and compensation of the Trustee, each predecessor trustee and their respective agents and attorneys, shall be for the ratable benefit of the Holders of the Securities in respect of which such action was taken.

In any proceedings brought by the Trustee (and also any proceedings involving the interpretation of any provision of this Indenture to which the Trustee shall be a party), the Trustee shall be held to represent all the Holders of the Securities in respect to which such action was taken, and it shall not be necessary to make any Holders of such Securities parties to any such proceedings.

Section 5.03 ***Application of Proceeds***. Any moneys collected by the Trustee pursuant to this Article in respect of any series shall be applied in the following order at the date or dates fixed by the Trustee and, in case of the distribution of such moneys on account of principal or interest, upon presentation of the several Securities in respect of which monies have been collected and stamping (or otherwise noting) thereon the payment, or issuing Securities of such series in reduced principal amounts in exchange for the presented Securities of like series if only partially paid, or upon surrender thereof if fully paid:

FIRST: To the payment of all amounts due to the Trustee or any predecessor trustee pursuant to Section 6.06;

SECOND: In case the principal of the Securities of such series in respect of which moneys have been collected shall not have become and be then due and payable, to the payment of interest on the Securities of such series in default in the order of the maturity of the installments of such interest, with interest (to the extent that such interest has been collected by the Trustee) upon the overdue installments of interest, to the extent permitted by applicable law, at the same rate as the rate of interest or Yield to Maturity (in the case of Original Issue Discount Securities) specified in such Securities, such payments to be made ratably to the Persons entitled thereto, without discrimination or preference;

THIRD: In case the principal of the Securities of such series in respect of which moneys have been collected shall have become and shall be then due and payable, to the payment of the whole amount then owing and unpaid upon all the Securities of such series for principal and interest, with interest upon the overdue principal, and (to the extent that such interest has been collected by the Trustee) upon overdue installments of interest, to the extent permitted by applicable law, at the same rate as the rate of interest or Yield to Maturity (in the case of Original Issue Discount Securities) specified in the Securities of such series; and in case such moneys shall be insufficient to pay in full the whole amount so due and unpaid upon the Securities of such series, then to the payment of such principal and interest or Yield to Maturity, without preference or priority of principal over interest or Yield to Maturity, or of interest or Yield to Maturity over principal, or of any installment of interest over any other installment of interest, or of any Security of such series over any other Security of such series, ratably to the aggregate of such principal and accrued and unpaid interest or Yield to Maturity; and

FOURTH: To the payment of the remainder, if any, to the Issuer or any other Person lawfully entitled thereto.

Section 5.04 ***Suits for Enforcement***. In case an Event of Default has occurred, has not been waived and is continuing, the Trustee may in its discretion proceed to protect and enforce the rights vested in it by this Indenture by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any such rights, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Indenture or in aid of the exercise of any power granted in this Indenture or to enforce any other legal or equitable right vested in the Trustee by this Indenture or by law.

Section 5.05 ***Restoration of Rights on Abandonment of Proceedings***. In case the Trustee shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case (subject to any determination in such proceeding) the Issuer and the Trustee shall be restored respectively to their former positions and rights hereunder, and all rights, remedies and powers of the Issuer, the Trustee and the Securityholders shall continue as though no such proceedings had been taken.

Section 5.06 ***Limitations on Suits by Securityholders***. No Holder of any Security of any series shall have any right by virtue or by availing of any provision of this Indenture to institute any action or proceeding at law or in equity or in bankruptcy or otherwise upon or under or with respect to this Indenture, or for the appointment of a trustee, receiver, liquidator, custodian or other similar official or for any other remedy hereunder, unless such Holder previously shall have given to the Trustee written notice of default and of the continuance thereof, as hereinbefore provided, and unless also the Holders of not less than 25% in aggregate principal amount of the Securities of such series then Outstanding shall have made written request upon the Trustee to institute such action or proceedings in its own name as trustee hereunder and shall have offered to the Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby and the Trustee for 60 days after its receipt of such notice, request and offer of indemnity shall have failed to institute any such action or proceeding and no direction inconsistent with such written request shall have been given to the Trustee pursuant to Section 5.09; it being understood and intended, and being expressly covenanted by the Holder of every Security with every other Holder and the Trustee, that no one or more Holders of Securities of any series shall have any right in any manner whatever by virtue or by availing of any provision of this Indenture to affect, disturb or prejudice the rights of any other such Holder of Securities, or to obtain or seek to obtain priority over or preference to any other such Holder or to enforce any right under this Indenture, except in the manner herein provided and for the equal, ratable and common benefit of all Holders of Securities of the applicable series. For the protection and enforcement of the provisions of this Section, each and every Securityholder and the Trustee shall be entitled to such relief as can be given either at law or in equity.

Section 5.07 ***Unconditional Right of Securityholders to Institute Certain Suits***. Notwithstanding any other provision in this Indenture and any provision of any Security, the right of any Holder of any Security to receive payment of the principal of and interest on such Security on or after the respective due dates expressed in such Security in accordance with the terms hereof and thereof, or to institute suit for the enforcement of any such payment on or after such respective dates, or for the enforcement of such conversion right, shall not be impaired or affected without the consent of such Holder; it being understood and intended, and being expressly covenanted by the Holder of every Security with every other Holder and the Trustee, that no one or more Holders of Securities of any series shall have any right in any manner whatever by virtue or by availing of any provision of this Indenture to affect, disturb or prejudice the rights of any other such Holder of Securities, or to obtain or seek to obtain priority over or preference to any other such Holder or to enforce any right under this Indenture, except in the manner herein provided and for the equal, ratable and common benefit of all Holders of Securities of the applicable series. For the protection and enforcement of the provisions of this Section, each and every Securityholder and the Trustee shall be entitled to such relief as can be given either at law or in equity.

Section 5.08 ***Powers and Remedies Cumulative; Delay or Omission Not Waiver of Default***. Except as provided in Section 5.06, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders of Securities is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

No delay or omission of the Trustee or of any Holder of Securities to exercise any right or power accruing upon any Event of Default occurring and continuing as aforesaid shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein; and, subject to Section 5.06, every power and remedy given by this Indenture or by law to the Trustee or to the Holders of Securities may be exercised from time to time, and as often as shall be deemed expedient, by the Trustee or by the Holders of Securities.

Section 5.09 ***Control by Holders of Securities***. The Holders of a majority in aggregate principal amount of the Securities of each series affected (with each series voting as a separate class) at the time Outstanding shall 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 the Trustee with respect to the Securities of such series by this Indenture; provided, that such direction shall not be otherwise than in accordance with law and the provisions of this Indenture and provided, further, that (subject to the provisions of Section 6.01) the Trustee shall have the right to decline to follow any such direction if the Trustee, being advised by counsel, shall determine that the action or proceeding so directed may not lawfully be taken or if the Trustee in good faith by its board of directors, the executive committee, or a trust committee of directors or Responsible Officers of the Trustee shall determine that the action or proceedings so directed would involve the Trustee in personal liability or if the Trustee in good faith shall so determine that the actions or forbearances specified in or pursuant to such direction would be unduly prejudicial to the interests of Holders of the Securities of all series so affected not joining in the giving of said direction, it being understood that (subject to Section 6.01) the Trustee shall have no duty to ascertain whether or not such actions or forbearances are unduly prejudicial to such Holders.

Nothing in this Indenture shall impair the right of the Trustee in its discretion to take any action deemed proper by the Trustee and which is not inconsistent with such direction or directions by Securityholders.

Section 5.10 ***Waiver of Past Defaults***. Prior to the declaration of the acceleration of the maturity of the Securities of any series as provided in Section 5.01, the Holders of a majority in aggregate principal amount of the Securities of such series at the time Outstanding, by notice to the Trustee, may on behalf of the Holders of all the Securities of such series waive any existing default in the performance of any of the covenants contained herein or established pursuant to Section 2.03 with respect to such series and its consequences, except a default in the payment of the principal of, or interest on, any of the Securities of that series as and when the same shall become due by the terms of such Securities. In the case of any such waiver, the Issuer, the Trustee and the Holders of the Securities of such series shall be restored to their former positions and rights hereunder, respectively, such default shall cease to exist and be deemed to have been cured and not to have occurred, and any Event of Default arising therefrom shall be deemed to have been cured, and not to have occurred for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other default or Event of Default or impair any right consequent thereon.

Section 5.11 ***Trustee to Give Notice of Default***. The Trustee shall, within 90 days after the occurrence of a default with respect to the Securities of any series, give notice of all defaults with respect to that series known to the Trustee to all Holders of Securities of such series in the manner and to the extent provided in Section 4.03, unless in each case such defaults shall have been cured before the mailing or publication of such notice (the term "defaults" for the purpose of this Section being hereby defined to mean any event or condition which is, or with notice or lapse of time or both would become, an Event of Default); provided, that, except in the case of default in the payment of the principal of or interest on any of the Securities of such series, or in the payment of any sinking fund installment on such series, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee, or a trust committee of directors or trustees and/or Responsible Officers of the Trustee in good faith determines that the withholding of such notice is in the interests of the Securityholders of such series.

Section 5.12 ***Right of Court to Require Filing of Undertaking to Pay Costs***. All parties to this Indenture agree, and each Holder of any Security by his or her acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, 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, suffered or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Trustee, to any suit instituted by any Securityholder or group of Securityholders of any series holding in the aggregate more than 10% in aggregate principal amount of the Securities of such series, or to any suit instituted by any Securityholder for the enforcement of the payment of the principal of or interest on any Security of such series, on or after the respective due dates expressed in such Security or established pursuant to this Indenture.

ARTICLE 6
CONCERNING THE TRUSTEE

Section 6.01 ***Duties and Responsibilities of the Trustee; During Default; Prior to Default***. With respect to the Holders of any series of Securities issued hereunder, the Trustee, prior to the occurrence of an Event of Default with respect to the Securities of a particular series and after the curing or waiving of all Events of Default which may have occurred with respect to such series, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default with respect to the Securities of a series has occurred (which has not been cured or waived), the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act or its own willful misconduct.

Section 6.02 ***Certain Rights of the Trustee***. In furtherance of and subject to the Trust Indenture Act of 1939 and subject to Section 6.01:

(a) in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any statements, certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but, in the case of any such statements, certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture;

(b) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer or Responsible Officers of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(c) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders pursuant to Section 5.09 relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture;

(d) none of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers if there shall be reasonable ground for believing that the repayment of such funds or adequate indemnity against such liability is not reasonably assured to it;

(e) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, Officer's Certificate or any other certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture, note, security or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(f) any request, direction, order or demand of the Issuer mentioned herein shall be sufficiently evidenced by an Officer's Certificate (unless other evidence in respect thereof be herein specifically prescribed); and any resolution of the Board of Directors may be evidenced to the Trustee by a copy thereof certified by the secretary or an assistant secretary of the Issuer;

(g) the Trustee may consult with counsel and any advice or Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by it hereunder in good faith and in accordance with such advice or Opinion of Counsel;

(h) the Trustee shall be under no obligation to exercise any of the trusts or powers vested in it by this Indenture at the request, order or direction of any of the Securityholders pursuant to the provisions of this Indenture, unless such Securityholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred therein or thereby;

(i) the Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion, rights or powers conferred upon it by this Indenture;

(j) prior to the occurrence of an Event of Default hereunder and after the curing or waiving of all Events of Default, 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, consent, order, approval, appraisal, bond, debenture, note, security, or other paper or document unless requested in writing so to do by the Holders of not less than a majority in aggregate principal amount of the Securities of all series affected then Outstanding; provided, that, if the payment within a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the opinion of the Trustee, not reasonably assured to the Trustee by the security afforded to it by the terms of this Indenture, the Trustee may require reasonable indemnity against such expenses or liabilities as a condition to proceeding; the reasonable expenses of every such investigation shall be paid by the Issuer or, if paid by the Trustee or any predecessor trustee, shall be repaid by the Issuer upon demand; and

(k) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys not regularly in its employ and the Trustee shall not be responsible for any misconduct or negligence on the part of any such agent or attorney appointed with due care by it hereunder.

Section 6.03 ***Trustee Not Responsible for Recitals, Disposition of Securities or Application of Proceeds Thereof***. The recitals contained herein and in the Securities, except the Trustee's certificates of authentication, shall be taken as the statements of the Issuer, and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representation as to the validity or sufficiency of this Indenture or of the Securities. The Trustee shall not be accountable for the use or application by the Issuer of any of the Securities or of the proceeds thereof.

Section 6.04 ***Trustee and Agents May Hold Securities; Collections, Etc***. The Trustee or any agent of the Issuer or the Trustee, in its individual or any other capacity, may become the owner or pledgee of Securities with the same rights it would have if it were not the Trustee or such agent and may otherwise deal with the Issuer and receive, collect, hold and retain collections from the Issuer with the same rights it would have if it were not the Trustee or such agent.

Section 6.05 ***Moneys Held by Trustee***. Subject to the provisions of Section 10.04 hereof, all moneys received by the Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent required by mandatory provisions of law. Neither the Trustee nor any agent of the Issuer or the Trustee shall be under any liability for interest on any moneys received by it hereunder.

Section 6.06 ***Compensation and Indemnification of Trustee and Its Prior Claim***. The Issuer covenants and agrees to pay to the Trustee from time to time, and the Trustee shall be entitled to, such reasonable compensation (which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) as the Issuer and the Trustee may from time to time agree in writing and, except as otherwise expressly provided herein, the Issuer covenants and agrees to pay or reimburse the Trustee and each predecessor trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by or on behalf of it in accordance with any of the provisions of this Indenture (including the reasonable compensation and the expenses and disbursements of its counsel and of all agents and other persons not regularly in its employ) except any such expense, disbursement or advance as may arise from its negligence or bad faith. The Issuer also covenants to indemnify the Trustee and each predecessor trustee for, and to hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of this Indenture or the trusts hereunder and its duties hereunder, including the costs and expenses of defending itself against or investigating any claim of liability in the premises. The obligations of the Issuer under this Section to compensate and indemnify the Trustee and each predecessor trustee and to pay or reimburse the Trustee and each predecessor trustee for expenses, disbursements and advances shall constitute additional indebtedness hereunder and shall survive the satisfaction and discharge of this Indenture. Such additional indebtedness shall be a senior claim to that of the Securities upon all property and funds held or collected by the Trustee as such, except funds held in trust for the benefit of the Holders of particular Securities, and the Securities are hereby subordinated to such senior claim.

Section 6.07 ***Right of Trustee to Rely on Officer's Certificate, Etc***. Subject to Sections 6.01 and 6.02, whenever in the administration of the trusts of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering or omitting any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or bad faith on the part of the Trustee, be deemed to be conclusively proved and established by an Officer's Certificate delivered to the Trustee, and such certificate, in the absence of negligence or bad faith on the part of the Trustee, shall be full warrant to the Trustee for any action taken, suffered or omitted by it under the provisions of this Indenture upon the faith thereof.

Section 6.08 ***Disqualification; Conflicting Interests***. If the Trustee has or shall acquire any "conflicting interest" within the meaning of Section 310(b) of the Trust Indenture Act, the Trustee and the Issuer shall in all respects comply with the provisions of Section 310(b) of the Trust Indenture Act.

Section 6.09 ***Persons Eligible for Appointment as Trustee***. The Trustee for each series of Securities hereunder shall at all times be a corporation having a combined capital and surplus of at least $50,000,000 and shall be eligible in accordance with the provisions of Section 310(a) of the Trust Indenture Act of 1939. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of a Federal, State or District of Columbia supervising or examining authority, then, for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

Section 6.10 ***Resignation and Removal; Appointment of Successor Trustee***. (a) The Trustee, or any trustee or trustees hereafter appointed, may at any time resign with respect to one or more or all series of Securities by giving written notice of resignation to the Issuer and by mailing notice of such resignation to the Holders of then Outstanding Securities of each series affected at their addresses as they shall appear on the Security register. Upon receiving such notice of resignation, the Issuer shall promptly appoint a successor trustee or trustees with respect to the applicable series by written instrument in duplicate, executed by authority of the Board of Directors, one copy of which instrument shall be delivered to the resigning Trustee and one copy to the successor trustee or trustees. If no successor trustee shall have been so appointed with respect to any series and have accepted appointment within 30 days after the mailing of such notice of resignation, the resigning trustee may petition any court of competent jurisdiction for the appointment of a successor trustee, or any Holder of a Security who has been a bona fide Holder of a Security or Securities of the applicable series for at least six months may, on behalf of himself or herself and all others similarly situated, petition any such court for the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor trustee.

(b) In case at any time any of the following shall occur:

(i) the Trustee shall fail to comply with the provisions of Section 310(b) of the Trust Indenture Act of 1939 with respect to any series of Securities after written request therefor by the Issuer or by any Holder of a Security who has been a bona fide Holder of a Security or Securities of such series for at least six months; or

(ii) the Trustee shall cease to be eligible in accordance with the provisions of Section 310(a) of the Trust Indenture Act of 1939 and shall fail to resign after written request therefor by the Issuer or by any Holder of a Security; or

(iii) the Trustee shall become incapable of acting with respect to any series of Securities, or shall be adjudged bankrupt or insolvent, or a receiver or liquidator of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation;

then, in any such case, (A) the Issuer may remove the Trustee with respect to the applicable series of Securities and appoint a successor trustee for such series by written instrument, in duplicate, executed by order of the Board of Directors, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor trustee, or, (B) subject to Section 315(e) of the Trust Indenture Act of 1939, any Holder of a Security who has been a bona fide Holder of a Security or Securities of such series for at least six months may on behalf of himself or herself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor trustee with respect to such series. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, remove the Trustee and appoint a successor trustee.

(c) The Holders of a majority in aggregate principal amount of the Securities of each series at the time Outstanding may at any time remove the Trustee with respect to Securities of such series and, with the consent of the Issuer, appoint a successor trustee with respect to the Securities of such series by delivering to the Trustee so removed, to the successor trustee so appointed and to the Issuer the evidence provided for in Section 7.01 of the action in that regard taken by the Securityholders.

(d) Any resignation or removal of the Trustee with respect to any series and any appointment of a successor trustee with respect to such series pursuant to any of the provisions of this Section 6.10 shall become effective upon acceptance of appointment by the successor trustee as provided in Section 6.11.

Section 6.11 Acceptance of Appointment by Successor Trustee. Any successor trustee appointed as provided in Section 6.10 shall execute and deliver to the Issuer and to its predecessor trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor trustee with respect to all or any applicable series shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all rights, powers, duties and obligations with respect to such series of its predecessor hereunder, with like effect as if originally named as trustee for such series hereunder; but, nevertheless, on the written request of the Issuer or of the successor trustee, upon payment of its charges then unpaid, the trustee ceasing to act shall, subject to Section 10.04, pay over to the successor trustee all moneys at the time held by it hereunder and shall execute and deliver an instrument transferring to such successor trustee all such rights, powers, duties and obligations. Upon request of any such successor trustee, the Issuer shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor trustee all such rights and powers. Any trustee ceasing to act shall, nevertheless, retain a prior claim upon all property or funds held or collected by such trustee to secure any amounts then due it pursuant to the provisions of Section 6.06. If a successor trustee is appointed with respect to the Securities of one or more (but not all) series, the Issuer, the predecessor trustee and each successor trustee with respect to the Securities of any applicable series shall execute and deliver an indenture supplemental hereto which shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the predecessor trustee with respect to the Securities of any series as to which the predecessor trustee is not retiring shall continue to be vested in the predecessor trustee, and shall add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one trustee, it being understood that nothing herein or in such supplemental indenture shall constitute such trustees co-trustees of the same trust and that each such trustee shall be trustee of a trust or trusts under separate indentures.

No successor trustee with respect to any series of Securities shall accept appointment as provided in this Section 6.11 unless at the time of such acceptance such successor trustee shall be qualified under the provisions of Section 310(b) of the Trust Indenture Act of 1939 and eligible under the provisions of Section 310(a) of the Trust Indenture Act of 1939.

Upon acceptance of appointment by any successor trustee as provided in this Section 6.11, the Issuer shall mail notice thereof to the Holders of Securities of each series affected, by mailing such notice to such Holders at their addresses as they shall appear on the Security register. If the acceptance of appointment is substantially contemporaneous with the resignation, then the notice called for by the preceding sentence may be combined with the notice called for by Section 6.10. If the Issuer fails to mail such notice within ten days after acceptance of appointment by the successor trustee, the successor trustee shall cause such notice to be given at the expense of the Issuer.

Section 6.12 ***Merger, Conversion, Consolidation or Succession to Business of Trustee***. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder; provided, that such corporation shall be qualified under the provisions of Section 310(b) of the Trust Indenture Act of 1939 and eligible under the provisions of Section 310(a) of the Trust Indenture Act of 1939, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

In case, at the time such successor to the Trustee shall succeed to the trusts created by this Indenture, any of the Securities of any series shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor trustee and deliver such Securities so authenticated; and, in case at that time any of the Securities of any series shall not have been authenticated, any successor to the Trustee may authenticate such Securities either in the name of any predecessor hereunder or in the name of the successor trustee; and in all such cases such certificate shall have the full force which it is anywhere in the Securities of such series or in this Indenture provided that the certificate of the Trustee shall have; provided, that the right to adopt the certificate of authentication of any predecessor trustee or to authenticate Securities of any series in the name of any predecessor trustee shall apply only to its successor or successors by merger, conversion or consolidation.

Section 6.13 ***Preferential Collection of Claims Against the Issuer***. The Trustee shall comply with Section 311(a) of the Trust Indenture Act, excluding any creditor relationship described in Section 311(b) of the Trust Indenture Act. A Trustee who has resigned or been removed shall be subject to Section 311(a) of the Trust Indenture Act to the extent included therein.

ARTICLE 7
CONCERNING THE SECURITYHOLDERS

Section 7.01 ***Evidence of Action Taken by Securityholders***. Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by a specified percentage in principal amount of the Securityholders of any or all series may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such specified percentage of Securityholders in person or by agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee. Proof of execution of any instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Sections 6.01 and 6.02) conclusive in favor of the Trustee and the Issuer, if made in the manner provided in this Article.

Section 7.02 ***Proof of Execution of Instruments and of Holding of Securities***. Subject to Sections 6.01 and 6.02, the execution of any instrument by a Holder or his agent or proxy may be proved by the affidavit of a witness to such execution or by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by an officer of a corporation or a member of a partnership or limited liability company, on behalf of such corporation, partnership or limited liability company, such certificate or affidavit shall also constitute sufficient proof of his authority. The execution of any such instrument or writing, or the authority of the person executing the same, may also be proved in any other manner which the Trustee deems sufficient. The holding of Securities shall be proved by the Security register or by a certificate of the registrar thereof. The Issuer may set a record date for purposes of determining the identity of Holders of any series entitled to vote or consent to any action referred to in Section 7.01, which record date may be set at any time or from time to time by notice to the Trustee, for any date or dates (in the case of any adjournment or reconsideration) not more than 60 days nor less than five days prior to the proposed date of such vote or consent, and thereafter, notwithstanding any other provisions hereof, only Holders of such series of record on such record date shall be entitled to so vote or give such consent or revoke such vote or consent. Notice of such record date may be given before or after any request for any action referred to in Section 7.01 is made by the Issuer.

Section 7.03 ***Holders to Be Treated as Owners***. The Issuer, the Trustee and any agent of the Issuer or of the Trustee may deem and treat the Person in whose name any Security shall be registered upon the Security register for such series as the absolute owner of such Security (whether or not such Security shall be overdue and notwithstanding any notation of ownership or other writing thereon) for the purpose of receiving payment of or on account of the principal of, and, subject to the provisions of this Indenture, interest on, such Security and for all other purposes; and neither the Issuer nor the Trustee nor any agent of the Issuer or the Trustee shall be affected by any notice to the contrary. All such payments so made to any such Person, or upon his or her order, shall be valid, and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable.

Section 7.04 ***Securities Owned by Issuer Deemed Not Outstanding***. In determining whether the Holders of the requisite aggregate principal amount of Outstanding Securities of any or all series have concurred in any direction, consent or waiver under this Indenture, Securities which are owned by the Issuer or any other obligor on the Securities with respect to which such determination is being made or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer or any other obligor on the Securities with respect to which such determination is being made shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, except that, for the purpose of determining whether the Trustee shall be protected in relying on any such direction, consent or waiver, only Securities which the Trustee knows are so owned shall be so disregarded. Securities 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 Securities and that the pledgee is not the Issuer or any other obligor upon the Securities or any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer or any other obligor on the Securities. In case of a dispute as to such right, the advice of counsel shall be full protection in respect of any decision made by the Trustee in accordance with such advice.

Section 7.05 ***Right of Revocation of Action Taken***. At any time prior to (but not after) the evidencing to the Trustee, as provided in Section 7.01, of the taking of any action by the Holders of the percentage in aggregate principal amount of the Securities of any or all series, as the case may be, specified in this Indenture in connection with such action, any Holder of a Security the serial number of which is shown by the evidence to be included among the serial numbers of the Securities the Holders of which have consented to such action may, by filing written notice at the Corporate Trust Office and upon proof of holding as provided in this Article, revoke such action so far as concerns such Security. Except as aforesaid, any such action taken by the Holder of any Security shall be conclusive and binding upon such Holder and upon all future Holders and owners of such Security and of any Securities issued in exchange or substitution therefor or on registration of transfer thereof, irrespective of whether or not any notation in regard thereto is made upon any such Security. Any action taken by the Holders of the percentage in aggregate principal amount of the Securities of any or all series, as the case may be, specified in this Indenture in connection with such action shall be conclusively binding upon the Issuer, the Trustee and the Holders of all the Securities affected by such action.

ARTICLE 8
SUPPLEMENTAL INDENTURES

Section 8.01 ***Supplemental Indentures Without Consent of Securityholders***. The Issuer, when authorized by a resolution of its Board of Directors, and the Trustee may from time to time and at any time, without the consent of any of the Securityholders, enter into an indenture or indentures supplemental hereto in form satisfactory to the Trustee for one or more of the following purposes:

(a) to convey, transfer, assign, mortgage or pledge to the Trustee as security for the Securities of one or more series any property or assets;

(b) to evidence the succession of a corporation, limited liability company, partnership or trust to the Issuer, or successive successions, and the assumption by such successor of the covenants, agreements and obligations of the Issuer pursuant to Article 9;

(c) to add to the covenants of the Issuer such further covenants, restrictions, conditions or provisions as its Board of Directors shall consider to be for the protection of the Holders of Securities, and to make the occurrence, or the occurrence and continuance, of a default in any such additional covenants, restrictions, conditions or provisions an Event of Default permitting the enforcement of all or any of the several remedies provided in this Indenture as herein set forth; provided, that in respect of any such additional covenant, restriction, condition or provision such supplemental indenture may provide for a particular period of grace after default (which period may be shorter or longer than that allowed in the case of other defaults) or may provide for an immediate enforcement upon such an Event of Default or may limit the remedies available to the Trustee upon such an Event of Default or may limit the right of the Holders of a majority in aggregate principal amount of the Securities of such series to waive such an Event of Default;

(d) to cure any ambiguity, defect or inconsistency, or to conform this Indenture or any supplemental indenture to the description of the Securities set forth in any prospectus or prospectus supplement related to such series of Securities;

(e) to provide for or add guarantors for the Securities of one or more series;

(f) to establish the form or terms of Securities of any series as permitted by Sections 2.01 and 2.03;

(g) to evidence and provide for the acceptance of appointment hereunder by a successor trustee with respect to the Securities of one or more series and to add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one trustee, pursuant to the requirements of Section 6.11;

(h) to add to, delete from or revise the conditions, limitations and restrictions on the authorized amount, terms, purposes of issue, authentication and delivery of any series of Securities, as herein set forth;

(i) to make any change to the Securities of any series so long as no Securities of such series are Outstanding; and

(j) to make any other change that does not adversely affect the interests of the Holders of the Securities in any material respect.

The Trustee shall join with the Issuer in the execution of any such supplemental indenture, to make any further appropriate agreements and stipulations which may be therein contained and to accept the conveyance, transfer, assignment, mortgage or pledge of any property thereunder, but the Trustee shall not be obligated to enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Any supplemental indenture authorized by the provisions of this Section may be executed without the consent of the Holders of any of the Securities at the time Outstanding, notwithstanding any of the provisions of Section 8.02.

Section 8.02 ***Supplemental Indentures With Consent of Securityholders***. With the consent (evidenced as provided in Article 7) of the Holders of not less than a majority in aggregate principal amount of the Securities at the time Outstanding of one or more series affected by such supplemental indenture (voting as separate series), the Issuer, when authorized by a resolution of the Board of Directors, and the Trustee may, from time to time and at any time, enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of any supplemental indenture or of modifying in any manner the rights of the Holders of the Securities of each such consenting series; provided, that no such supplemental indenture shall, without the consent of the Holder of each Security so affected, (a) extend the final maturity of any Security, or reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest thereon, or reduce any amount payable on redemption thereof, or make the principal thereof (including any amount in respect of original issue discount) or interest thereon payable in any currency other than that provided in the Securities or in accordance with the terms thereof, or reduce the amount of the principal of an Original Issue Discount Security that would be due and payable upon an acceleration of the maturity thereof pursuant to Section 5.01 or the amount thereof provable in bankruptcy pursuant to Section 5.02, or waive a default in the payment of principal of any Security or interest thereon or change a provision related to the waiver of past defaults or changes or impair the right of any Securityholder to institute suit for the payment or conversion thereof or, if the Securities provide therefor, any right of repayment at the option of the Securityholder, or (b) modify any of the provisions of this section except to increase any required percentage or to provide that certain other provisions cannot be modified or waived without the consent of the Holder of each Security so affected, or (c) reduce the aforesaid percentage of Securities of any series, the consent of the Holders of which is required for any such supplemental indenture or the consent of Holders of which is required for any modification, amendment or waiver of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences provided for in this Indenture.

A supplemental indenture which changes or eliminates any covenant, Event of Default or other provision of this Indenture (1) that has been expressly included solely for the benefit of one or more particular series of Securities, if any, or (2) which modifies the rights of Holders of Securities of one or more series with respect to any covenant, Event of Default or provision, shall be deemed not to affect the rights under this Indenture of the Holders of Securities of any other series with respect to which such covenant, Event of Default or other provision has not be modified.

Upon the request of the Issuer, accompanied by a Board Resolution authorizing the execution of any such supplemental indenture, and upon the filing with the Trustee of evidence of the consent of Securityholders as aforesaid and other documents, if any, required by Section 7.01, the Trustee shall join with the Issuer in the execution of such supplemental indenture unless such supplemental indenture affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such supplemental indenture.

It shall not be necessary for the consent of the Securityholders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such consent shall approve the substance thereof.

Promptly after the execution by the Issuer and the Trustee of any supplemental indenture pursuant to the provisions of this Section, the Trustee shall give a notice thereof to the Holders of then Outstanding Securities of each series affected thereby, by mailing a notice thereof by first-class mail to such Holders at their addresses as they shall appear on the Security register, and in each case such notice shall set forth in general terms the substance of such supplemental indenture. Any failure of the Trustee to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture.

Section 8.03 ***Effect of Supplemental Indenture***. Upon the execution of any supplemental indenture pursuant to the provisions hereof, this Indenture shall be and be deemed to be modified and amended in accordance therewith and the respective rights, limitations of rights, obligations, duties and immunities under this Indenture of the Trustee, the Issuer and the Holders of Securities of each series affected thereby shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 8.04 ***Documents to Be Given to Trustee***. The Trustee, subject to the provisions of Sections 6.01 and 6.02, may receive an Officer's Certificate and an Opinion of Counsel as conclusive evidence that any supplemental indenture executed pursuant to this Article 8 complies with the applicable provisions of this Indenture.

Section 8.05 ***Notation on Securities in Respect of Supplemental Indentures***. Securities of any series authenticated and delivered after the execution of any supplemental indenture pursuant to the provisions of this Article may bear a notation in form approved by the Trustee for such series as to any matter provided for by such supplemental indenture or as to any action taken by Securityholders. If the Issuer or the Trustee shall so determine, new Securities of any series so modified as to conform, in the opinion of the Trustee and the Board of Directors, to any modification of this Indenture contained in any such supplemental indenture may be prepared by the Issuer, authenticated by the Trustee and delivered in exchange for the Securities of such series then Outstanding.

ARTICLE 9
CONSOLIDATION, MERGER, SALE OR CONVEYANCE

Section 9.01 ***Issuer May Consolidate, Etc., on Certain Terms***. The Issuer shall not consolidate with or merge into any other Person (in a transaction in which the Issuer is not the surviving corporation) or convey, transfer or lease its properties and assets as an entirety or substantially as an entirety to any Person, unless (a) the Person formed by such consolidation or into which the Issuer is merged or the Person which acquires by conveyance or transfer, or which leases, the properties and assets of the Issuer as an entirety or substantially as an entirety (i) shall be a corporation, limited liability company, partnership or trust, (ii) shall be organized and validly existing under the laws of the United States of America, any State thereof or the District of Columbia and (iii) shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, the due and punctual payment of the principal of and interest on all the Securities and the performance or observance of every covenant of this Indenture on the part of the Issuer to be performed, by supplemental indenture satisfactory in form to the Trustee, executed and delivered to the Trustee, by the Person formed by such consolidation or into which the Issuer shall have been merged or by the Person which shall have acquired the Issuer's assets; and (b) immediately after giving effect to such transaction and treating any indebtedness which becomes an obligation of the Issuer or any Subsidiary as a result of such transaction as having been incurred by the Issuer or such Subsidiary at the time of such transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have happened and be continuing.

The Issuer shall deliver to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such proposed transaction and any supplemental indenture comply with this Article and that all conditions precedent herein provided for relating to such transaction have been complied with.

The conditions of (a)(ii) above shall not apply in the case of a corporation or entity not organized under the laws of the United States of America, any State thereof or the District of Columbia which shall agree, in form satisfactory to the Trustee, (i) to subject itself to the jurisdiction of the United States district court for the Southern District of New York and (ii) to indemnify and hold harmless the holders of all Securities against (A) any tax, assessment or governmental charge imposed on such holders by a jurisdiction other than the United States or any political subdivision or taxing authority thereof or therein with respect to, and withheld on the making of, any payment of principal or interest on such Securities and which would not have been so imposed and withheld had such consolidation, merger, sale or conveyance not been made and (B) any tax, assessment or governmental charge imposed on or relating to, and any costs or expenses involved in, such consolidation, merger, sale or conveyance.

The restrictions in this Section 9.01 shall not apply to (i) the merger or consolidation of the Issuer with one of its affiliates, if the Board of Directors determines in good faith that the purpose of such transaction is principally to change the Issuer's State of incorporation or convert the Issuer's form of organization to another form, or (ii) the merger of the Issuer with or into a single direct or indirect wholly owned Subsidiary.

Nothing contained in this Article shall apply to, limit or impose any requirements upon the consolidation or merger of any Person into the Issuer where the Issuer is the survivor of such transaction, or the acquisition by the Issuer, by purchase or otherwise, of all or any part of the property of any other Person (whether or not affiliated with the Issuer).

Section 9.02 ***Successor Issuer Substituted***. Upon any consolidation of the Issuer with, or merger of the Issuer into, any other Person or any conveyance, transfer or lease of the properties and assets of the Issuer as an entirety or substantially as an entirety in accordance with Section 9.01, the successor Person formed by such consolidation or into which the Issuer is merged or to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under this Indenture with the same effect as if such successor Person had been named as the Issuer herein, and thereafter, except in the case of a lease, the predecessor Person shall be relieved of all obligations and covenants under this Indenture and the Securities.

In case of any such consolidation, merger, sale, lease or conveyance, such changes in phraseology and form (but not in substance) may be made in the Securities thereafter to be issued as may be appropriate.

ARTICLE 10
SATISFACTION AND DISCHARGE OF INDENTURE; DEFEASANCE; UNCLAIMED MONEYS

Section 10.01 ***Satisfaction and Discharge of Indenture; Defeasance***.

(a) If at any time

(i) the Issuer shall have paid or caused to be paid the principal of and interest on all the Securities of any series Outstanding hereunder (other than Securities of such series which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 2.09) as and when the same shall have become due and payable, or

(ii) the Issuer shall have delivered to the Trustee for cancellation all Securities of any series theretofore authenticated (other than any Securities of such series which shall have been destroyed, lost or stolen and which shall have been replaced or paid as provided in Section 2.09), or

(iii) in the case of any series of Securities the exact amount (including the currency of payment) of principal of and interest due on which on the dates referred to in clause (B) below can be determined at the time of making the deposit referred to in such clause,

(A) all the Securities of such series not theretofore delivered to the Trustee for cancellation shall have become due and payable, or are by their terms to become due and payable within one year or are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption, and

(B) the Issuer shall have irrevocably deposited or caused to be deposited with the Trustee as trust funds the entire amount in cash (other than moneys repaid by the Trustee or any paying agent to the Issuer in accordance with Section 10.04) or, in the case of any series of Securities the payments on which may only be made in Dollars, U.S. Government Obligations maturing as to principal and interest in such amounts and at such times as will insure the availability of cash sufficient to pay on any subsequent interest payment date all interest due on such interest payment date on the Securities of such series and to pay at maturity or upon redemption all Securities of such series (in each case other than any Securities of such series which shall have been destroyed, lost or stolen and which shall have been replaced or paid as provided in Section 2.09) not theretofore delivered to the Trustee for cancellation, including principal and interest due or to become due to such date of maturity, as the case may be, and if, in any such case (i), (ii) or (iii), the Issuer shall also pay or cause to be paid all other sums payable hereunder by the Issuer, including amounts due the Trustee pursuant to Section 6.06, with respect to Securities of such series, then this Indenture shall cease to be of further effect with respect to Securities of such series (except as to (1) rights of registration of transfer, conversion and exchange of Securities of such series and the Issuer's right of optional redemption, (2) substitution of mutilated, defaced, destroyed, lost or stolen Securities, (3) rights of Holders of Securities to receive, solely from the trust fund described in Section 10.01(a)(iii)(B), payments of principal thereof and interest thereon, upon the original stated due dates therefor (but not upon acceleration) and remaining rights of the Holders to receive, solely from the trust fund described in Section 10.01(a)(iii)(B), sinking fund payments, if any, (4) the rights (including the Trustee's rights under Section 10.05) and immunities of the Trustee hereunder and the Trustee's obligations under Sections 10.02 and 10.04 and (5) the obligations of the Issuer under Section 3.02), and the Trustee, on demand of the Issuer accompanied by an Officer's Certificate and an Opinion of Counsel which complies with Section 11.05 and at the cost and expense of the Issuer, shall execute proper instruments acknowledging such satisfaction of and discharging this Indenture with respect to such series. The Issuer agrees to reimburse the Trustee for any costs or expenses thereafter reasonably and properly incurred and to compensate the Trustee for any services thereafter reasonably and properly rendered by the Trustee in connection with this Indenture or the Securities of such series.

(b) The following subsection shall apply to the Securities of each series unless specifically otherwise provided in a Board Resolution, Officer's Certificate or indenture supplemental hereto provided pursuant to Section 2.03. In addition to the right to discharge of the Indenture pursuant to subsection (a) above, the Issuer, at its option and at any time, by written notice by an officer delivered to the Trustee, may elect to have all of its obligations discharged with all Outstanding Securities of a series ("**Legal Defeasance**"), such discharge to be effective on the date that the conditions set forth in clauses (i) through (iv) and (vi) of Section 10.01(d) are satisfied, and thereafter the Issuer shall be deemed to have paid and discharged the entire Debt on all the Securities of such a series, and satisfied all its other obligations under such Securities and this Indenture insofar as such Securities are concerned and this Indenture shall cease to be of further effect with respect to Securities of such series (except as to (1) rights of registration of transfer, conversion and exchange of Securities of such series, (2) substitution of apparently mutilated, defaced, destroyed, lost or stolen Securities, (3) rights of Holders of Securities to receive, solely from the trust fund described in Section 10.01(d)(i), payments of principal thereof and interest thereon, upon the original stated due dates therefor (but not upon acceleration) and remaining rights of the Holders to receive, solely from the trust fund described in Section 10.01(d)(i), sinking fund payments, if any, (4) the rights (including the Trustee's rights under Section 10.05) and immunities of the Trustee hereunder and the Trustee's obligations with respect to the Securities of such series under Sections 10.02 and 10.04 and (5) the obligations of the Issuer under Section 3.02).

(c) The following subsection shall apply to the Securities of each series unless specifically otherwise provided in a Board Resolution, Officer's Certificate or indenture supplemental hereto provided pursuant to Section 2.03. In addition to the right to discharge of the Indenture pursuant to subsection (a) and to Legal Defeasance pursuant to subsection (b), above, the Issuer, at its option and at any time, by written notice executed by an officer delivered to the Trustee, may elect to have its obligations under any covenant contained in this Indenture or in the Board Resolution or supplemental indenture relating to such series pursuant to Section 2.03 discharged with respect to all Outstanding Securities of a series, this Indenture and any indentures supplemental to this Indenture with respect to such series ("**Covenant Defeasance**"), such discharge to be effective on the date the conditions set forth in clauses (i) through (iii) and (v) through (vi) of Section 10.01(d) are satisfied, and such Securities shall thereafter be deemed to be not "Outstanding" for the purposes of any direction, waiver, consent or declaration of Securityholders (and the consequences of any thereof) in connection with such covenants, but shall continue to be "Outstanding" for all other purposes under this Indenture. For this purpose, such Covenant Defeasance means that, with respect to the Outstanding Securities of a series, the Issuer may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of reference in any such covenant to any other provision herein or in any other document and such omission to comply shall not constitute an Event of Default under Section 5.01(c) or otherwise, but except as specified in this Section 10.01(c), the remainder of the Issuer's obligations under the Securities of such series, this Indenture, and any indentures supplemental to this Indenture with respect to such series shall be unaffected thereby.

(d) The following shall be the conditions to the application of Legal Defeasance under subsection (b) or Covenant Defeasance under subsection (c) to the Securities of the applicable series:

(i) the Issuer irrevocably deposits or causes to be deposited in trust with the Trustee or, at the option of the Trustee, with a trustee satisfactory to the Trustee and the Company under the terms of an irrevocable trust agreement in form and substance satisfactory to the Trustee, cash or U.S. Government Obligations that will generate cash sufficient to pay principal of and interest on the Outstanding Securities of such series to maturity or redemption, as the case may be, and to pay all other amounts payable by it hereunder, provided that (A) the trustee of the irrevocable trust, if any, shall have been irrevocably instructed to pay such funds or the proceeds of such U.S. Government Obligations to the Trustee and (B) the Trustee shall have been irrevocably instructed to apply such funds or the proceeds of such U.S. Government Obligations to (x) the principal and interest on all Securities of such series on the date that such principal or interest is due and payable and (y) any mandatory sinking fund payments on the day on which such payments are due and payable in accordance with the terms of the Indenture and the Securities of such series, and the Issuer shall also pay or cause to be paid all other amounts payable hereunder with respect to such series;

(ii) the Issuer delivers to the Trustee an Officer's Certificate stating that all conditions precedent specified herein relating to Legal Defeasance or Covenant Defeasance, as the case may be, have been complied with, and an Opinion of Counsel to the same effect;

(iii) no Event of Default under subsection (a), (b), (d) or (e) of Section 5.01 shall have occurred and be continuing, and no event which with notice or lapse of time or both would become such an Event of Default shall have occurred and be continuing, on the date of such deposit;

(iv) in the event of an election for Legal Defeasance under subsection (b), the Issuer shall have delivered to the Trustee an Opinion of Counsel stating that (A) the Issuer has received from, or there has been published by, the Internal Revenue Service a ruling or (B) since the date of this instrument, there has been a change in the applicable Federal income tax law, in either case (A) or (B) to the effect that, and based thereon such opinion shall confirm that, the Holders of such Securities will not recognize gain or loss for Federal income tax purposes as a result of the deposit, defeasance and discharge to be effected with respect to such Securities and will be subject to Federal income tax on the same amounts, in the same manner and at the same times as would be the case if such deposit, defeasance and discharge were not to occur;

(v) in the event of an election for Covenant Defeasance under subsection (c), the Issuer shall have delivered to the Trustee an Opinion of Counsel to the effect that the Holders of such Securities will not recognize gain or loss for Federal income tax purposes as a result of the deposit and Covenant Defeasance to be effected with respect to such Securities and will be subject to Federal income tax on the same amount, in the same manner and at the same times as would be the case if such deposit and Covenant Defeasance were not to occur; and

(vi) notwithstanding any other provisions of this subsection (d), such defeasance shall be effected in compliance with any additional or substitute terms, conditions or limitations which may be imposed on the Issuer pursuant to Section 2.03.

After such irrevocable deposit made pursuant to this Section 10.01(d) and satisfaction of the other conditions set forth in this subsection (d), the Trustee upon request shall execute proper instruments acknowledging the discharge of the Issuer's obligations pursuant to this Section 10.01.

Section 10.02 ***Application by Trustee of Funds Deposited for Payment of Securities***. Subject to Section 10.04, all moneys deposited with the Trustee (or other trustee) pursuant to Section 10.01 shall be held in trust and applied by it to the payment, either directly or through any paying agent (including the Issuer acting as its own paying agent), to the Holders of the particular Securities of such series for the payment or redemption of which such moneys have been deposited with the Trustee, of all sums due and to become due thereon for principal and interest; but such money need not be segregated from other funds except to the extent required by law.

Section 10.03 ***Repayment of Moneys Held by Paying Agent***. In connection with the satisfaction and discharge of this Indenture with respect to Securities of any series, all moneys then held by any paying agent under the provisions of this Indenture with respect to such series of Securities shall, upon demand of the Issuer, be repaid to it or paid to the Trustee and thereupon such paying agent shall be released from all further liability with respect to such moneys.

Section 10.04 ***Return of Moneys Held by Trustee and Paying Agent Unclaimed for Two Years***. Any moneys deposited with or paid to the Trustee or any paying agent for the payment of the principal of, interest on or additional amounts in respect of any Security of any series and not applied but remaining unclaimed for two years after the date upon which such principal, interest or additional amount shall have become due and payable, shall be repaid to the Issuer by the Trustee for such series or such paying agent, and the Holder of the Securities of such series shall thereafter look only to the Issuer for any payment which such Holder may be entitled to collect, and all liability of the Trustee or any paying agent with respect to such moneys shall thereupon cease.

Section 10.05 ***Indemnity for U.S. Government Obligations***. The Issuer shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the U.S. Government Obligations deposited pursuant to Section 10.01 or the principal or interest received in respect of such obligations.

ARTICLE 11
MISCELLANEOUS PROVISIONS

Section 11.01 ***No Recourse***. No recourse under or upon any obligation, covenant or agreement of this Indenture, or of any Security, or for any claim based thereon or otherwise in respect thereof, shall be had against any incorporator, stockholder, officer or director, past, present or future as such, of the Issuer or of any predecessor or successor corporation, either directly or through the Issuer or any such predecessor or successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that this Indenture and the obligations issued hereunder are solely corporate obligations, and that no such personal liability whatever shall attach to, or is or shall be incurred by, the incorporators, stockholders, officers or directors as such, of the Issuer or of any predecessor or successor corporation, or any of them, because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in this Indenture or in any of the Securities or implied therefrom; and that any and all such personal liability of every name and nature, either at common law or in equity or by constitution or statute, of, and any and all such rights and claims against, every such incorporator, stockholder, officer or director as such, because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in this Indenture or in any of the Securities or implied therefrom, are hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Indenture and the issuance of such Securities.

Section 11.02 ***Provisions of Indenture for the Sole Benefit of Parties and Holders of Securities***. Nothing in this Indenture or in the Securities, expressed or implied, shall give or be construed to give to any person, firm or corporation, other than the parties hereto and their successors and the Holders of the Securities any legal or equitable right, remedy or claim under this Indenture or under any covenant or provision herein contained, all such covenants and provisions being for the sole benefit of the parties hereto and their successors and of the Holders of the Securities.

Section 11.03 ***Successors and Assigns of Issuer Bound by Indenture***. All the covenants, stipulations, promises and agreements contained in this Indenture by or on behalf of the Issuer shall bind its successors and assigns, whether so expressed or not.

Section 11.04 ***Notices and Demands on Issuer, Trustee and Holders of Securities***. Any notice or demand which by any provision of this Indenture is required or permitted to be given or served by the Trustee or by the Holders of Securities to or on the Issuer may be given or served by being deposited postage prepaid, first-class mail (except as otherwise specifically provided herein) addressed (until another address of the Issuer is filed by the Issuer with the Trustee) to Franchise Group, Inc., 1716 Corporate Landing Parkway, Virginia Beach, Virginia 23454, Attn: General Counsel. Any notice, direction, request or demand by the Issuer or any Holder of Securities to or upon the Trustee shall be deemed to have been sufficiently given or made, for all purposes, if given or made at _____, Attn: _____.

Where this Indenture provides for notice to Holders of Securities, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Holder entitled thereto, at his or her last address as it appears in the Security register. In case, by reason of the suspension of or irregularities in regular mail service, it shall be impracticable to mail notice of any event to Holders of Securities when said notice is required to be given pursuant to any provision of this Indenture or of the Securities, then any manner of giving such notice as shall be satisfactory to the Trustee shall be deemed to be a sufficient giving of such notice.

In case, by reason of the suspension of or irregularities in regular mail service, it shall be impracticable to mail notice to the Issuer when such notice is required to be given pursuant to any provision of this Indenture, then any manner of giving such notice as shall be satisfactory to the Trustee shall be deemed to be a sufficient giving of such notice.

Neither the failure to give notice, nor any defect in any notice so given, to any particular Holder of a Security shall affect the sufficiency of such notice with respect to other Holders of Securities given as provided above.

Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 11.05 ***Officer's Certificates and Opinions of Counsel; Statements to Be Contained Therein***. Upon any application or demand by the Issuer to the Trustee to take any action under any of the provisions of this Indenture, the Issuer shall furnish to the Trustee an Officer's Certificate stating that all conditions precedent provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent have been complied with, except that in the case of any such application or demand as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or demand, no additional certificate or opinion need be furnished.

Each certificate or opinion provided for in this Indenture and delivered to the Trustee with respect to compliance with a condition or covenant provided for in this Indenture shall include (a) a statement that the person making such certificate or opinion has read such covenant or condition, (b) 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, (c) a statement that, in the opinion of such person, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenant or condition has been complied with and (d) a statement as to whether or not, in the opinion of such person, such condition or covenant has been complied with.

Any certificate, statement or opinion of an officer of the Issuer may be based, insofar as it relates to legal matters, upon a certificate or opinion of or representations by counsel, unless such officer knows that the certificate or opinion or representations with respect to the matters upon which his or her certificate, statement or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should know that the same are erroneous. Any certificate, statement or opinion of counsel may be based, insofar as it relates to factual matters, information with respect to which is in the possession of the Issuer, upon the certificate, statement or opinion of or representations by an officer or officers of the Issuer, unless such counsel knows that the certificate, statement or opinion or representations with respect to the matters upon which his or her certificate, statement or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should know that the same are erroneous.

Any certificate, statement or opinion of an officer of the Issuer or of counsel may be based, insofar as it relates to accounting matters, upon a certificate or opinion of or representations by an accountant or firm of accountants in the employ of the Issuer, unless such officer or counsel, as the case may be, knows that the certificate or opinion or representations with respect to the accounting matters upon which his or her certificate, statement or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should know that the same are erroneous.

Section 11.06 ***Payments Due on Saturdays, Sundays and Holidays***. If the date of maturity of interest on or principal of the Securities of any series or the date fixed for redemption or repayment of any such Security, or the last day on which a Holder has the right to convert any Security, shall not be a Business Day, then payment of interest or principal, or any conversion, need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption or on such last day for conversion, and no interest shall accrue for the period after such date.

Section 11.07 ***Conflict of Any Provision of Indenture With Trust Indenture Act of 1939***. If and to the extent that any provision of this Indenture limits, qualifies or conflicts with another provision included in this Indenture by operation of Sections 310 to 317, inclusive, of the Trust Indenture Act of 1939, such incorporated provision shall control.

Section 11.08 ***New York Law to Govern***. This Indenture and each Security shall be deemed to be a contract under the laws of the State of New York, and for all purposes shall be governed by and construed in accordance with the laws of such State without regard to any principle of conflict of laws that would require or permit the application of the laws of any other jurisdiction, except as may otherwise be required by mandatory provisions of law.

Section 11.09 ***Counterparts***. This Indenture may be executed in any number of counterparts, each of which shall be an original; but such counterparts shall together constitute but one and the same instrument.

Section 11.10 ***Effect of Headings***. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 11.11 ***Actions by Successor***. Any act or proceeding by any provision of this Indenture authorized or required to be done or performed by any board of directors or its equivalent, committee or officer of the Issuer shall and may be done and performed with like force and effect by the corresponding board, committee or officer of any corporation that shall at the time be the lawful successor of the Issuer.

Section 11.12 ***Severability***. In case any one or more of the provisions contained in this Indenture or in the Securities of any series shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Indenture or of such Securities, but this Indenture and such Securities shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein or therein.

ARTICLE 12
REDEMPTION OF SECURITIES AND SINKING FUNDS

Section 12.01 ***Applicability of Article***. The provisions of this Article shall be applicable to the Securities of any series which are redeemable before their maturity or to any sinking fund for the retirement of Securities of a series, except as otherwise specified, as contemplated by Section 2.03 for Securities of such series.

Section 12.02 ***Notice of Redemption; Partial Redemptions***. Notice of redemption to the Holders of Securities of any series to be redeemed as a whole or in part at the option of the Issuer shall be given by mailing notice of such redemption by first class mail, postage prepaid, at least 15 days and not more than 60 days prior to the date fixed for redemption to such Holders of Securities of such series at their last addresses as they shall appear upon the Security register. Any notice which is given in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the Holder receives the notice. Failure to give notice or any defect in the notice to the Holder of any Security of a series designated for redemption as a whole or in part shall not affect the validity of the proceedings for the redemption of any other Security of such series.

The notice of redemption to each such Holder shall specify the principal amount of each Security of such series held by such Holder to be redeemed, the date fixed for redemption, the redemption price, the place or places of payment, that payment will be made upon presentation and surrender of such Securities, that such redemption is pursuant to the mandatory or optional sinking fund, or both, if such be the case, that interest accrued to the date fixed for redemption will be paid as specified in such notice and that on and after said date interest thereon or on the portions thereof to be redeemed will cease to accrue and shall also specify, if applicable, the conversion price then in effect and the date on which the right to convert such Securities or the portions thereof to be redeemed will expire. In case any Security of a series is to be redeemed in part only, the notice of redemption shall state the portion of the principal amount thereof to be redeemed and shall state that on and after the date fixed for redemption, upon surrender of such Security, a new Security or Securities of such series in principal amount equal to the unredeemed portion thereof will be issued.

The notice of redemption of Securities of any series to be redeemed at the option of the Issuer shall be given by the Issuer or, at the Issuer's request, by the Trustee in the name and at the expense of the Issuer.

On or before the redemption date specified in the notice of redemption given as provided in this Section, the Issuer will deposit with the Trustee or with one or more paying agents (or, if the Issuer is acting as its own paying agent, set aside, segregate and hold in trust as provided in Section 3.04) an amount of money sufficient to redeem on the redemption date all the Securities of such series so called for redemption (other than those Securities theretofore surrendered for conversion into Common Stock or any other security of the Issuer in accordance with their terms) at the appropriate redemption price, together with accrued interest to the date fixed for redemption. If any Security called for redemption is converted pursuant hereto and in accordance with the terms thereof, any money deposited with the Trustee or any paying agent or so segregated and held in trust for the redemption of such Security shall be paid to the Issuer upon the Issuer's request, or, if then held by the Issuer, shall be discharged from such trust. The Issuer will deliver to the Trustee at least 10 days prior to the date the notice required to be delivered to the Holders is to be sent (unless a shorter time period shall be acceptable to the Trustee) an Officer's Certificate (which need not comply with Section 11.05) stating the aggregate principal amount of Securities to be redeemed. In case of a redemption at the election of the Issuer prior to the expiration of any restriction on such redemption, the Issuer shall deliver to the Trustee, prior to the giving of any notice of redemption to Holders pursuant to this Section, an Officer's Certificate stating that such restriction has been complied with.

If less than all the Securities of a series are to be redeemed, the Trustee shall select, in such manner as it shall deem appropriate and fair, Securities of such series to be redeemed in whole or in part. Securities may be redeemed in part in multiples equal to the minimum authorized denomination for Securities of such series or any multiple thereof. The Trustee shall promptly notify the Issuer in writing of the Securities of such series selected for redemption and, in the case of any Securities of such series selected for partial redemption, the principal amount thereof to be redeemed. For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Securities of any series shall relate, in the case of any Security redeemed or to be redeemed only in part, to the portion of the principal amount of such Security which has been or is to be redeemed. If any Security selected for partial redemption is surrendered for conversion after such selection, the converted portion of such Security shall be deemed (so far as may be possible) to be the portion selected for redemption.

Section 12.03 ***Payment of Securities Called for Redemption***. If notice of redemption has been given as above provided, the Securities or portions of Securities specified in such notice shall become due and payable on the date and at the place stated in such notice at the applicable redemption price, together with interest accrued to the date fixed for redemption, and on and after said date (unless the Issuer shall default in the payment of such Securities at the redemption price, together with interest accrued to said date) interest on the Securities or portions of Securities so called for redemption shall cease to accrue, and such Securities shall cease from and after the date fixed for redemption to be convertible into Common Stock or any other security of the Issuer (to the extent otherwise convertible in accordance with their terms), if applicable, and cease to be entitled to any benefit or security under this Indenture, and except as provided in the paragraph below, the Holders thereof shall have no right in respect of such Securities except the right to receive the redemption price thereof and unpaid interest to the date fixed for redemption. On presentation and surrender of such Securities at a place of payment specified in said notice, said Securities or the specified portions thereof shall be paid and redeemed by the Issuer at the applicable redemption price, together with interest accrued thereon to the date fixed for redemption; provided, that payment of interest becoming due on or prior to the date fixed for redemption shall be payable to the Holders of such Securities registered as such on the relevant record date subject to the terms and provisions of Sections 2.03 and 2.07 hereof.

If any Security called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid or duly provided for, bear interest from the date fixed for redemption at the rate of interest or Yield to Maturity (in the case of an Original Issue Discount Security) borne by such Security and, if applicable, such Security shall remain convertible into Common Stock or such other security of the Issuer as may be identified until the principal of such Security shall have been paid or duly provided for.

Upon presentation of any Security redeemed in part only, the Issuer shall execute and the Trustee shall authenticate and deliver to or on the order of the Holder thereof, at the expense of the Issuer, a new Security or Securities of such series, of authorized denominations, in principal amount equal to the unredeemed portion of the Security so presented.

Section 12.04 ***Exclusion of Certain Securities from Eligibility for Selection for Redemption***. Securities shall be excluded from eligibility for selection for redemption if they are identified by registration and certificate number in an Officer's Certificate delivered to the Trustee at least 40 days prior to the last date on which notice of redemption may be given as being owned of record and beneficially by, and not pledged or hypothecated by either (a) the Issuer or (b) an entity specifically identified in such written statement as directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer.

Section 12.05 ***Mandatory and Optional Sinking Funds***. The minimum amount of any sinking fund payment provided for by the terms of the Securities of any series is herein referred to as a "mandatory sinking fund payment", and any payment in excess of such minimum amount provided for by the terms of the Securities of any series is herein referred to as an "optional sinking fund payment". The date on which a sinking fund payment is to be made is herein referred to as the "sinking fund payment date".

In lieu of making all or any part of any mandatory sinking fund payment with respect to any series of Securities in cash, the Issuer may at its option (a) deliver to the Trustee Securities of such series theretofore purchased or otherwise acquired (except upon redemption pursuant to the mandatory sinking fund) by the Issuer or receive credit for Securities of such series (not previously so credited) theretofore purchased or otherwise acquired (except as aforesaid) by the Issuer and delivered to the Trustee for cancellation pursuant to Section 2.10 and, if applicable, receive credit for Securities (not previously so credited) converted into Common Stock or any other security of the Issuer and so delivered to the Trustee for cancellation, (b) receive credit for optional sinking fund payments (not previously so credited) made pursuant to this Section, or (c) receive credit for Securities of such series (not previously so credited) redeemed by the Issuer through any optional redemption provision contained in the terms of such series. Securities so delivered or credited shall be received or credited by the Trustee at the sinking fund redemption price specified in such Securities.

On or before the 60th day next preceding each sinking fund payment date for any series, the Issuer will deliver to the Trustee an Officer's Certificate (which need not contain the statements required by Section 11.05) (a) specifying the portion of the mandatory sinking fund payment to be satisfied by payment of cash and the portion to be satisfied by credit of Securities of such series and the basis for such credit, (b) stating that none of the Securities of such series for which credit will be taken has theretofore been so credited, (c) stating that no defaults in the payment of interest or Events of Default with respect to such series have occurred (which have not been waived or cured) and are continuing and (d) stating whether or not the Issuer intends to exercise its right to make an optional sinking fund payment with respect to such series and, if so, specifying the amount of such optional sinking fund payment which the Issuer intends to pay on or before the next succeeding sinking fund payment date. Any Securities of such series to be credited and required to be delivered to the Trustee in order for the Issuer to be entitled to credit therefor as aforesaid which have not theretofore been delivered to the Trustee shall be delivered for cancellation pursuant to Section 2.10 to the Trustee with such Officer's Certificate (or reasonably promptly thereafter if acceptable to the Trustee). Such Officer's Certificate shall be irrevocable and upon its receipt by the Trustee the Issuer shall become unconditionally obligated to make all the cash payments or payments therein referred to, if any, on or before the next succeeding sinking fund payment date. Failure of the Issuer, on or before any such 60th day, to deliver such Officer's Certificate and Securities specified in this paragraph, if any, shall not constitute a default but shall constitute, on and as of such date, the irrevocable election of the Issuer that the mandatory sinking fund payment for such series due on the next succeeding sinking fund payment date shall be paid entirely in cash without the option to deliver or credit Securities of such series in respect thereof.

If the sinking fund payment or payments (mandatory or optional or both) to be made in cash on the next succeeding sinking fund payment date plus any unused balance of any preceding sinking fund payments made in cash shall exceed $[____] (or the equivalent thereof in any Foreign Currency or a lesser sum in Dollars or in any Foreign Currency if the Issuer shall so request) with respect to the Securities of any particular series, such cash shall be applied on the next succeeding sinking fund payment date to the redemption of Securities of such series at the sinking fund redemption price together with accrued interest to the date fixed for redemption. If such amount shall be $[____] (or the equivalent thereof in any Foreign Currency) or less and the Issuer makes no such request then it shall be carried over until a sum in excess of $[____] (or the equivalent thereof in any Foreign Currency) is available, which delay in accordance with this paragraph shall not be a default or breach of the obligation to make such payment. The Trustee shall select, in the manner provided in Section 12.02, for redemption on such sinking fund payment date a sufficient principal amount of Securities of such series to which such cash may be applied, as nearly as may be, and shall (if requested in writing by the Issuer) inform the Issuer of the serial numbers of the Securities of such series (or portions thereof) so selected. The Trustee, in the name and at the expense of the Issuer (or the Issuer, if it shall so request the Trustee in writing), shall cause notice of redemption of the Securities of such series to be given in substantially the manner provided in Section 12.02 (and with the effect provided in Section 12.03) for the redemption of Securities of such series in part at the option of the Issuer. The amount of any sinking fund payments not so applied or allocated to the redemption of Securities of such series shall be added to the next cash sinking fund payment for such series and, together with such payment, shall be applied in accordance with the provisions of this Section. Any and all sinking fund moneys held on the stated maturity date of the Securities of any particular series (or earlier, if such maturity is accelerated), which are not held for the payment or redemption of particular Securities of such series, shall be applied, together with other moneys, if necessary, sufficient for the purpose, to the payment of the principal of, and interest on, the Securities of such series at maturity. The Issuer's obligation to make a mandatory or optional sinking fund payment shall automatically be reduced by an amount equal to the sinking fund redemption price allocable to any Securities or portions thereof called for redemption pursuant to the preceding paragraph on any sinking fund payment date and converted into Common Stock or any other security of the Issuer in accordance with the terms of such Securities; provided that, if the Trustee is not the conversion agent for the Securities, the Issuer or such conversion agent shall give the Trustee written notice on or prior to the date fixed for redemption of the principal amount of Securities or portions thereof so converted.

On or before each sinking fund payment date, the Issuer shall pay to the Trustee in cash or shall otherwise provide for the payment of all interest accrued to the date fixed for redemption on Securities to be redeemed on such sinking fund payment date.

The Trustee shall not redeem or cause to be redeemed any Securities of a series with sinking fund moneys or give any notice of redemption of Securities for such series by operation of the sinking fund during the continuance of a default in payment of interest on such Securities or of any Event of Default except that, where the mailing of notice of redemption of any Securities shall theretofore have been made, the Trustee shall redeem or cause to be redeemed such Securities, provided that it shall have received from the Issuer a sum sufficient for such redemption. Except as aforesaid, any moneys in the sinking fund for such series at the time when any such default or Event of Default shall occur, and any moneys thereafter paid into the sinking fund, shall, during the continuance of such default or Event of Default, be deemed to have been collected under Article 5 and held for the payment of all such Securities. In case such Event of Default shall have been waived as provided in Section 5.10, or the default cured on or before the 60th day preceding the sinking fund payment date in any year, such moneys shall thereafter be applied on such sinking fund payment date in accordance with this Section to the redemption of such Securities.

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed as of [_____].

FRANCHISE GROUP, INC.

By: _____
Name:
Title:

[_____], Trustee

By: _____
Name:
Title:

Exhibit 5.1

Troutman Sanders LLP
600 Peachtree Street NE, Suite 3000
Atlanta, GA 30308-2216

troutman.com

May 21, 2020

Franchise Group, Inc.
1716 Corporate Landing Parkway
Virginia Beach, Virginia 23454

Re: Franchise Group, Inc. Registration Statement on Form S-3

Ladies and Gentlemen:

We have acted as counsel to Franchise Group, Inc., a Delaware corporation (the "***Company***"), in connection with its registration statement on Form S-3 filed by the Company on January 31, 2020 with the Securities and Exchange Commission (the "***Commission***") under the Securities Act of 1933, as amended (the "***Securities Act***"), and amended on or about the date hereof (as so amended, the "***Registration Statement***"). The Registration Statement relates to:

(a) the Company's issuance and sale, from time to time on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, up to $300 million of the following securities (such securities, the "***Primary Securities***"):

1. Shares of the Company's common stock, par value $0.01 per share, (the "***Common Stock***");

2. Shares of one or more series of the Company's preferred stock (the "***Preferred Stock***");

3. Warrants of the Company to purchase other Securities (the "***Warrants***");

4. Rights to purchase shares of Common Stock and/or any of the other Primary Securities (the "***Rights***");

5. Units of the Company comprised of two or more of the Securities, in any combination, which may or may not be separable from one another (the "***Units***"); and

6. Debt securities, in one more series, of the Company (the "***Debt Securities***").

(b) the proposed resale of up to 26,825,951.18 shares of Common Stock (the "***Secondary Securities***" and, together with the Primary Securities, the "***Securities***")) to be offered and sold by the selling stockholders listed in the Registration Statement (the "***Selling Stockholders***").

The Securities will be offered in amounts, at prices and on terms to be determined in light of market conditions at the time of sale and to be set forth in supplements (each a "***Prospectus Supplement***") to the prospectus contained in the Registration Statement.

Each series of Preferred Stock is to be issued under the Charter Documents (defined below) and a certificate of designation (the "***Certificate of Designation***") to be filed with the Secretary of State of the State of Delaware. The Warrants are to be issued pursuant to one or more warrant agreements between the Company and a warrant agent (the "***Warrant Agreement***"). The Rights are to be issued under one or more rights agreements between the Company and an agent or other party therein (the "***Rights Agreement***"). The Units are to be issued pursuant to one or more unit agreements between the Company and a unit agent or other party therein (the "***Unit Agreements***"). The Debt Securities are to be issued pursuant to an indenture between the Company and a trustee to be named in such Indenture, a form of which is included as Exhibit 4.27 to the Registration Statement (the "***Applicable Indenture***").

For purposes of the opinions we express below, we have examined the originals or copies, certified or otherwise identified, of (i) the certificate of incorporation and bylaws of the Company, each as amended and/or restated to date (the "***Charter Documents***"); (ii) the Registration Statement and all exhibits thereto, (iii) resolutions of the Board of Directors of the Company (the "***Board***") with respect to the Registration Statement and the offering and sale of the Securities, (iv) the specimen Common Stock certificate of the Company, (v) certain corporate records of the Company, including minute books of the Company, certificates of public officials, and of representatives of the Company, and (vi) certain statutes and other instruments and documents as we considered appropriate for purposes of the opinions hereafter expressed.

In connection with rendering the opinions set forth below, we have assumed that (i) all information contained in all documents reviewed is true and correct, (ii) all signatures on all documents examined are genuine and provided by natural persons with legal capacity and authority to execute such documents, (iii) all documents submitted as originals are authentic and all documents submitted as copies conform to the originals of those documents, (iv) the Registration Statement, and any amendments thereto (including post-effective amendments), will have become effective and will not have been terminated or rescinded, (v) a Prospectus Supplement will have been prepared and filed with the Commission describing any Securities that are offered, (vi) all Securities will be issued and/or sold in compliance with applicable federal and state securities laws and in the manner specified in the Registration Statement and the applicable Prospectus Supplement or term sheet, (vii) the Debt Securities, and the instruments pursuant to which they are duly authorized and established, will have been specifically authorized for issuance by the Board or an authorized committee thereof (the "***Company Authorizing Resolutions***"), (viii) the terms of the Securities and of their respective issuance and sale will have been duly authorized and established in conformity with the applicable Charter Documents, Certificate of Designation, Warrant Agreement, Rights Agreement, Unit Agreement and the Applicable Indenture, as the case may be, (ix) each of the Securities will have been duly executed and countersigned, (x) the Board will have determined that the consideration to be received for any Common Stock to be issued is adequate, (xi) the Company will have received the consideration provided for in the Company Authorizing Resolutions and any applicable purchase, underwriting or similar agreement and as contemplated by any applicable Prospectus Supplement, (xii) the Certificate of Designation, Warrant Agreement, Rights Agreement, Unit Agreement and Applicable Indenture will be duly authorized, executed and delivered by the parties thereto, (xiii) each person signing the Certificate of Designation, Warrant Agreement, Rights Agreement, Unit Agreement and Applicable Indenture, as applicable, will have the legal capacity and authority to do so, (xiii) with respect to the Common Stock offered, there will be sufficient shares of Common Stock or Preferred Stock authorized under the Charter Documents and not otherwise reserved for issuance, (xiv) a definitive purchase, underwriting or similar agreement with respect to any Securities offered thereby will have been duly authorized and validly executed and delivered by the Company and the other parties thereto, and (xv) any Securities issuable upon conversion, exchange, redemption or exercise of any Securities being offered will have been duly and validly authorized, created and, if appropriate, reserved for issuance upon such conversion, exchange, redemption or exercise.

We have also assumed that (i) the Company will continue to be validly existing and in good standing under the laws of Delaware, and will have all requisite power and authority to enable it to execute, deliver and perform its obligations under the Securities and the related documents, (ii) the Securities will be established so as not to, and such execution, delivery and performance thereof (including the documents establishing them) will not, violate, conflict with or constitute a default under any applicable laws, rules or regulations to which the Company is subject, (iii) such execution, delivery and performance do not and will not constitute a breach, conflict, default or violation of (a) the Company's Charter Documents, or any agreement or other instrument to which the Company or its properties are subject, (b) any judicial or regulatory order or decree of any governmental authority or (c) any consent, approval, license, authorization or validation of, or filing, recording or registration with, any governmental authority, (iv) the Securities will not bear interest at a rate that is usurious under the laws of the jurisdiction governing the creation thereof and will not provide for the compounding of interest if prohibited by applicable law, and (v) the choice of New York law in the Applicable Indenture is legal, valid, binding and enforceable under the laws of all applicable jurisdictions.

We are, in this opinion, opining only on the General Corporation Law of the State of Delaware (the "***DGCL***"), and with respect to the opinions set forth in paragraphs 2 through 5 below, the internal laws of the state of New York. We are not opining as to the applicability thereto, or the effect thereon, of the laws of any other jurisdiction or, in the case of Delaware, any other laws, or as to matters of municipal law or the laws of any local agencies within any states (including "blue sky" or other state securities laws).

The opinions herein below are subject to, and qualified and limited by the effects of: (i) bankruptcy, fraudulent conveyance or fraudulent transfer, insolvency, reorganization, moratorium, liquidation, conservatorship and similar laws, and limitations imposed under judicial decisions related to or affecting creditors' rights and remedies generally, (ii) general equitable principles, regardless of whether the issue of enforceability is considered in a proceeding in equity or at law, and principles limiting the availability of the remedy of specific performance, (iii) concepts of good faith, fair dealing and reasonableness, and (iv) the possible unenforceability under certain circumstances of provisions providing for indemnification or contribution that is contrary to public policy. We also express no opinion concerning the enforceability of the waiver of rights or defenses contained in the documents establishing the Securities.

Based upon and subject to the foregoing, we are of the opinion that:

1. When an issuance of Common Stock has been duly authorized by all necessary corporate action of the Company, upon issuance, delivery and payment therefor in an amount not less than the par value thereof in the manner contemplated by the applicable Prospectus Supplement and by such corporate action, and in total amounts and numbers of shares that do not exceed the respective total amounts and number of shares (a) available under the certificate of incorporation, and (b) authorized by the Board in connection with the offering contemplated by the applicable Prospectus Supplement, such shares of Common Stock will be validly issued, fully paid and nonassessable. In rendering the foregoing opinion, we have assumed that the Company will comply with all applicable notice requirements regarding uncertificated shares provided in the DGCL.

When a series of Preferred Stock has been duly established in accordance with the terms of the Company's Charter Documents and authorized by all necessary corporate action of the Company, upon issuance, delivery and payment therefor in an amount not less than the par value thereof in the manner contemplated by the applicable Prospectus Supplement and by such corporate action, and in total amounts and numbers of shares that do not exceed the respective total amounts and numbers of shares (a) available under the Charter Documents, and (b) authorized by the board of directors in connection with the offering contemplated by the applicable Prospectus Supplement, such shares of such series of Preferred Stock will be validly issued, fully paid and nonassessable. In rendering the foregoing opinion, we have assumed that the Company will comply with all applicable notice requirements regarding uncertificated shares provided in the DGCL.

2. When the applicable warrant agreement has been duly authorized, executed and delivered by all necessary corporate action of the Company, and when the specific terms of a particular issuance of Warrants have been duly established in accordance with the terms of the applicable warrant agreement and authorized by all necessary corporate action of the Company, and such Warrants have been duly executed, authenticated, issued and delivered against payment therefor in accordance with the terms of the applicable warrant agreement and in the manner contemplated by the applicable Prospectus Supplement and by such corporate action (assuming the securities issuable upon exercise of such Warrants have been duly authorized and reserved for issuance by all necessary corporate action), such Warrants will be the legally valid and binding obligations of the Company, enforceable against the Company in accordance with their terms.

3. When the applicable rights agreement has been duly authorized, executed and delivered by all necessary corporate action of the Company, and when the specific terms of a particular issuance of Rights have been duly established in accordance with the terms of the applicable warrant agreement and authorized by all necessary corporate action of the Company, and such Rights have been duly executed, authenticated, issued and delivered against payment therefor in accordance with the terms of the applicable warrant agreement and in the manner contemplated by the applicable Prospectus Supplement and by such corporate action (assuming the securities issuable upon exercise of such Rights have been duly authorized and reserved for issuance by all necessary corporate action), such Rights will be the legally valid and binding obligations of the Company, enforceable against the Company in accordance with their terms.

4. When the applicable unit agreement has been duly authorized, executed and delivered by all necessary corporate action of the Company, and when the specific terms of a particular issuance of Warrants have been duly established in accordance with the terms of the applicable warrant agreement and authorized by all necessary corporate action of the Company, and such Units have been duly executed, authenticated, issued and delivered against payment therefor in accordance with the terms of the applicable warrant agreement and in the manner contemplated by the Prospectus Supplement and by such corporate action (assuming the securities issuable upon exercise of such Units have been duly authorized and reserved for issuance by all necessary corporate action), such Units will be the legally valid and binding obligations of the Company, enforceable against the Company in accordance with their terms.

5. When the Applicable Indenture has been duly authorized, executed and delivered by all necessary corporate action of the Company, and when the specific terms of a particular series of Debt Securities have been duly established in accordance with the terms of the Applicable Indenture and authorized by all necessary corporate action of the Company, and such Debt Securities have been duly executed, authenticated, issued and delivered against payment therefor in accordance with the terms of the Applicable Indenture and in the manner contemplated by the applicable Prospectus Supplement and by such corporate action, such Debt Securities will be the legally valid and binding obligations of the Company, enforceable against the Company in accordance with their terms.

6. The Secondary Securities have been duly authorized, legally issued, fully paid and non-assessable.

This opinion is to be used only in connection with the offer and sale of the Securities while the Registration Statement is in effect.

Please note that we are opining only as to matters expressly set forth herein, and no opinion should be inferred as to any other matters. This opinion is based upon currently existing statutes, rules, regulations and judicial decisions, and, following the effective date of the Registration Statement, we disclaim any obligation to advise you of any change in any of these sources of law or subsequent legal or factual developments which might affect any matters or opinions set forth herein.

We hereby consent to the filing of this opinion with the Commission as an exhibit to the Registration Statement in accordance with the requirements of Item 601(b)(5) of Regulation S-K under the Securities Act and to the use of our name therein and in the related prospectus and any Prospectus Supplement under the caption “Legal Matters.” In giving such consent, we do not hereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission.

Very truly yours,

/s/ Troutman Sanders LLP

Exhibit 23.1

CONSENT OF DELOITTE AND TOUCHE LLP

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in this Registration Statement on Form S-3/A of our reports dated April 24, 2020 relating to the financial statements of Franchise Group, Inc. and the effectiveness of Franchise Group Inc.'s internal control over financial reporting, appearing in the Transition Report on Form 10-K/T for the transition period ended December 28, 2019. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ Deloitte & Touche LLP

Richmond, Virginia
May 21, 2020

Exhibit 23.2

CONSENT OF CHERRY BEKAERT LLP

Consent of Independent Registered Public Accounting Firm

We hereby consent to the inclusion of our reports dated June 27, 2019, relating to the consolidated balance sheets of Liberty Tax, Inc. and Subsidiaries (the "Company") as of April 30, 2019 and 2018, the related consolidated statements of operations, comprehensive income (loss), stockholders' equity, and cash flows for each of the years in the two-year period ended April 30, 2019, and the related notes (collectively referred to as the "financial statements"), and the effectiveness of internal control over financial reporting for the Company as of April 30, 2019, incorporated by reference herein, and to the reference to our firm under the heading "Experts" in this prospectus.

Our report dated June 27, 2019, on the effectiveness of internal control over financial reporting as of April 30, 2019, expresses our opinion that the Company did not maintain effective internal control over financial reporting as of April 30, 2019, because the control environment, risk assessment, control activities, information and communication, and monitoring controls were not effective.

/s/ CHERRY BEKAERT LLP

Virginia Beach, Virginia
May 21, 2020

Exhibit 23.3

CONSENT OF BDO USA, LLP

Consent of Independent Auditor

Franchise Group, Inc.
Virginia Beach, Virginia

We hereby consent to the incorporation by reference in the Prospectus constituting a part of this Registration Statement on Form S-3 of Franchise Group, Inc. of our report dated January 7, 2020, relating to the combined financial statements of Sears Outlet Stores (a carve-out business of Sears Hometown and Outlet Stores, Inc.) appearing in Franchise Group Inc.'s Current Report on Form 8-K/A dated January 8, 2020.

We also consent to the reference to us under the caption "Experts" in the Prospectus.

/s/ BDO USA, LLP

Chicago, Illinois
May 21, 2020

Exhibit 23.4

CONSENT OF DELOITTE & TOUCHE LLP

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in this Registration Statement on Form S-3/A of our report dated February 26, 2019 relating to the financial statements of Vitamin Shoppe, Inc., appearing in the Current Report on Form 8-K/A of Franchise Group, Inc. filed on January 8, 2020. We also consent to the reference to us under the heading “Experts” in such Registration Statement.

/s/ Deloitte & Touche LLP

Richmond, Virginia
May 21, 2020

Exhibit 23.5

CONSENT OF RIVERO, GORDIMER & COMPANY, P.A.

CONSENT OF INDEPENDENT AUDITOR

Rivero, Gordimer & Company, P.A. consents to the use in the Form S-3, Registration Statement Under the Securities Act of 1933, filed by Franchise Group, Inc. on May 21, 2020 as it may be amended, of our reports dated May 2, 2019 and May 8, 2018 relating to the consolidated financial statements of Buddy's Newco, LLC and Subsidiaries as of and for the years ending December 31, 2018 and 2017, respectively.

/s/ RIVERO, GORDIMER & COMPANY, P.A.

Tampa, Florida
May 21, 2020

Exhibit 23.6

CONSENT OF PRICEWATERHOUSECOOPERS LLP

CONSENT OF INDEPENDENT AUDITORS

We hereby consent to the incorporation by reference in this Registration Statement on Form S-3 of Franchise Group, Inc. of our report dated May 4, 2020 relating to the financial statements of American Freight Group, Inc., which appears in Franchise Group, Inc.'s Current Report on Form 8-K/A dated May 4, 2020. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/PricewaterhouseCoopers LLP

Columbus, Ohio
May 21, 2020