

Burger Chain Tests Blockchain Deal

Restaurant company **FAT Brands** is planning a securitization.

The \$30 million deal would be backed by whole-business cashflows consisting mainly of fees paid by franchises operating under the Beverly Hills company's brands, including Fatburger, Bonanza Steakhouse, Buffalo's Cafe, Elevation Burger, Hurricane Grill & Wings and Ponderosa Steakhouse. It is expected to hit the market by yearend.

In a twist, New York blockchain-technology firm **Cadence** is arranging the transaction. The assignment would see FAT Brands issue securities via conventional paper contracts, with Cadence then creating digital tokens from those notes.

The format would enable investors to access a higher level of data about the deal, including the identities of other bondholders. Cadence founder **Nelson Chu**, meanwhile, said his company's mandate encompasses lead structuring, marketing, syndication, closing and post-settlement duties. Cadence also would oversee the selection of a trustee and possibly the hiring of rating agencies, with sources pointing to **Morningstar** as a candidate for that job.

Eventually, Cadence hopes to complete a securitization that uses blockchain technology throughout, with digital tokens issued from the start instead of paper contracts.

FAT Brands' licensees operate restaurants worldwide. It is headed by chief executive **Andy Wiederhorn**. ❖

