COMMITTED CAPITAL ACQUISITION Corp
Form S-1/A
January 31, 2014

As filed with the Securities and Exchange Commission on January 31, 2014

Registration No. 333-192365

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

Amendment No. 1
to
FORM S-1

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

COMMITTED CAPITAL ACQUISITION CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**5812**	**14-1961545**
(state or Other Jurisdiction of Incorporation or Organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification Number)**

411 W. 14th Street, 2nd Floor

New York, New York 10014

(646) 624-2400

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Samuel Goldfinger

Chief Financial Officer
411 W. 14th Street, 2nd Floor

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(646) 624-2400

(Name, address, including zip code, and telephone number including area code, of agent for service)

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Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this Registration Statement. 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 check the following box. S

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 post-effective amendment filed pursuant to Rule 462(d) 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. £

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b2 of the Exchange Act.

Large accelerated filer £		Accelerated filer	£
Non-accelerated filer £	(Do not check if a smaller reporting company)	Smaller reporting company	S

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

The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell, nor does it seek an offer to buy these securities, in any jurisdiction where the offer or sale is not permitted.

Subject to Completion, Dated January 31, 2014

PROSPECTUS

7,243,850 Shares

COMMITTED CAPITAL ACQUISITION CORPORATION

Common Stock

This prospectus relates to the offer and resale or other disposition from time to time by the selling stockholders identified herein of up to 7,243,850 shares of our common stock, par value $0.0001 per share. We will not receive any proceeds from the sale of shares held by the selling stockholders.

The selling stockholders may, from time to time, sell, transfer or otherwise dispose of any or all of their shares of our common stock or interests in shares of our common stock on any stock exchange, market or trading facility on which the shares are traded or in private transactions, as set forth in this prospectus under “Plan of Distribution.” These dispositions may be at fixed prices, at prevailing market prices at the time of sale, at prices related to the prevailing market price, at varying prices determined at the time of sale, or at negotiated prices. If these shares are sold through underwriters, broker-dealers or agents, the selling stockholders will be responsible for underwriting discounts or commissions or agents’ commissions. We have agreed to pay all costs and expenses of this registration.

Our common stock is quoted on the OTC Markets OTCQB tier, or OTCQB, under the symbol “STKS.” As of January 28, 2014 the last reported sale price for our common stock as reported on the OTCQB was $6.15 per share. These over-the-counter quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions. You are urged to obtain current market quotations of the common stock.

We may amend or supplement this prospectus from time to time by filing amendments or supplements as required. You should read the entire prospectus and any amendments or supplements carefully before you make your

investment decision.

Investing in our securities involves a high degree of risk. See "Risk Factors" beginning on page 7 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities offered hereby or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is _______________, 2014

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This prospectus is part of a registration statement we filed with the Securities and Exchange Commission (the "SEC"). You should rely only upon the information contained in this prospectus. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. This prospectus does not constitute an offer to sell or a solicitation of offers to buy any securities other than the common stock offered by this prospectus. This prospectus does not constitute an offer to sell or solicitation of offers to buy securities in any jurisdiction where, or in any circumstances in which, such offer or solicitation is unlawful.

You should assume the information in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of common stock. Neither the delivery of this prospectus nor any sale made in connection with this prospectus shall, under any circumstances, create an implication that there has been no change in our affairs since the date of this prospectus or that the information contained by reference to this prospectus is correct as of any time after its date. Our business, financial condition, results of operations and prospects may have changed since date of this prospectus. The rules of the SEC may require us to update this prospectus in the future.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. It may not contain all of the information that you should consider before investing in our common stock. You should read this entire prospectus carefully, including the "Risk Factors" and the financial statements and related notes included herein. This prospectus includes forward-looking statements that involve risks and uncertainties. See "Cautionary Note Regarding Forward-Looking Statements."

Unless otherwise stated in this prospectus, references to "we", "us", "our", "company", "our company," "combined company" or "CCAC" refer to Committed Capital Acquisition Corporation and its subsidiaries, including The ONE Group, LLC, or One Group, and its subsidiaries. "Adjusted EBITDA" represents net income before interest, taxes, and depreciation and amortization, plus the sum of certain non-operating expenses, including deferred rent, pre-opening expenses, impairment losses, discontinued operations and certain other one-time non-operating expenses. Average unit volume, or "AUV," represents the average per unit sales of our restaurants over a certain period of time. This measure is calculated by dividing total restaurant sales within a period by the number of restaurants operating during the same period.

In this prospectus the term "Merger" means the acquisition of One Group by CCAC.

Our Company

We are a hospitality company that develops and operates upscale, high-energy restaurants and lounges and provides turn-key food and beverage services for hospitality venues including boutique hotels, casinos and other high-end locations in the United States and the United Kingdom. Turn-key food and beverage services are food and beverage services that can be scaled and implemented by us at a particular hospitality venue and customized per the requirements of the client. One Group was established with the vision of becoming a global market leader in the hospitality industry by melding high-quality service, ambiance and cuisine into one great experience. Our primary restaurant brand is STK, a multi-unit steakhouse concept that combines a high-energy, female-friendly, social atmosphere with the quality of a traditional upscale steakhouse. Our food and beverage, or "F&B", hospitality services offerings include developing, managing and operating restaurants, bars, rooftops, pools, banqueting and catering facilities, private dining rooms, room service and mini bars tailored to the specific needs of high-end boutique hotels and casinos. Our F&B hospitality clients include global hospitality companies such as the Cosmopolitan Hotel, Gansevoort Hotel Group, Hippodrome Casino, ME Hotels and the Perry Hotel (owned by Starwood Capital).

We opened our first restaurant in January 2004 and as of December 31, 2013, we owned and operated 10 and managed 9 restaurants and lounges, including six STKs throughout the United States and in London. Nine of our locations are

operated under our six F&B hospitality management agreements, in which we provide comprehensive food and beverage services for our hospitality clients. We generate management and incentive fee revenue from those restaurants and lounges that we do not own, but instead manage on behalf of our F&B hospitality clients. All of our restaurants, lounges and F&B services are designed to create a social dining and entertainment experience within a destination location. We believe that this design philosophy separates us from more traditional restaurant and foodservice competitors. Net losses for the year ended December 31, 2012 and the nine month period ended September 30, 2013 were $2.8 million and $2.7 million, respectively, and included loss from discontinued operations of $10.0 million and $5.2 million for the year ended December 31, 2012 and the nine month period ended September 30, 2013, respectively. The loss from discontinued operations reflects our exiting of non-strategic and underperforming units during these periods and includes the closing of the Bagatelle unit in Las Vegas during 2013 as well as the proposed termination of the management agreement with The Palms Hotel in Las Vegas for the Heraea concept and the proposed termination of the lease with The Palms Hotel in Las Vegas for the Xishi concept. In addition, we closed the ONE concept in Atlantic City in 2012 and a kiosk in New York City which featured burgers and shakes in 2013.

Based on our strong momentum and brand appeal, we expect to continue to expand our operations domestically and internationally through a mix of company owned restaurants and managed units by continuing our disciplined and targeted site selection process and supplemented by the increasingly regular inbound inquiries we receive from office building, hotel and casino owners and landlords to develop and open new locations. We currently anticipate that our expansion plans will cost us approximately $4.0 million over the next 12 months, subject to revision if we enter into new agreements. There can be no assurance that we will be able to expand our operations at the rate we currently expect or at all.

Corporate Information and History

We were incorporated in Delaware in January of 2006 as a blank check company formed for the purpose of acquiring, through a merger, capital stock exchange, asset acquisition, stock purchase, reorganization, exchangeable stock transaction or other similar business transaction, one or more operating businesses or assets, and a “shell company” (as such term is defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)). In October 2011, we consummated our initial public offering in which we sold 5,750,000 units, each consisting of one share of our common stock and a warrant to purchase one share of our common stock. We received total gross proceeds of $28.75 million.

On October 16, 2013, we entered into an Agreement and Plan of Merger (the "Merger Agreement") among us, CCAC Acquisition Sub, LLC, a Delaware limited liability company and our wholly owned subsidiary ("Merger Sub"), One Group and Samuel Goldfinger as One Group Representative, pursuant to which we acquired One Group in a stock-for-stock exchange. Under the terms of the Merger Agreement, we issued to the former members of One Group and to a Liquidating Trust established for the benefit of former holders of membership interests of One Group ("TOG Members") and holders of warrants to acquire membership interests of One Group ("TOG Warrant Owners") (the "Liquidating Trust") an aggregate of 12,631,400 shares of our common stock, par value $.0001 per share (the "Common Stock") and $11,750,000 in cash to the TOG Members (collectively, the "Merger Consideration"). As part of the Merger Consideration, the Company issued to Jonathan Segal, the former Managing Member of One Group and currently our Chief Executive Officer and a Director, 1,000,000 shares of Common Stock as a control premium. The foregoing shares are in addition to the 7,680,666 shares issued to Mr. Segal and related entities in respect of his pro rata portion of shares of Common Stock issued to all TOG Members. Of the 12,631,400 shares of Common Stock issued as part of the Merger Consideration, 2,000,000 shares (the "Escrow Shares") were deposited into an escrow account (the "Escrow Account") at Continental Stock Transfer & Trust Company, as escrow agent (the "Escrow Agent") to secure certain potential adjustments to the Merger Consideration as described below and certain potential indemnification obligations. The Merger Agreement also provides for up to an additional $14,100,000 of payments to the TOG Members and the Liquidating Trust, the payment of which is contingent upon the exercise of the outstanding Company warrants to purchase 5,750,000 shares of Common Stock at an exercise price of $5.00 per share.

In connection with the closing of the Merger, the Company completed a private placement of 3,131,339 shares of Common Stock at a purchase price of $5.00 per share to purchasers that included some of the Company's existing shareholders (collectively, the "Investors"), realizing gross proceeds of $15,656,695 (the "October 2013 Private Placement"). Jefferies LLC served as placement agent for the Private Placement.

In connection with the October 2013 Private Placement, we also entered into a registration rights agreement (the "October 2013 Registration Rights Agreement") with the Investors, in which we agreed to file a registration statement (the "Registration Statement") with the Securities and Exchange Commission (the "SEC") to register the shares of Common Stock for resale within 30 calendar days of the closing date of the October 2013 Private Placement, and to have the Registration Statement declared effective within 90 calendar days of the closing date of the October 2013 Private Placement or within 120 calendar days of the closing date of the October 2013 Private Placement if the SEC conducts a full review of the Registration Statement. We also have agreed to include in such Registration Statement the shares of Common Stock issued to TOG Members (other than those shares issued to Jonathan Segal and related entities) or issuable to TOG Warrant Owners pursuant to the Merger Agreement, subject to cut-back in certain circumstances. These shares of Common Stock are covered by the registration statement of which this prospectus forms a part.

Our principal office is located at 411 W. 14th Street, 2nd Floor, New York, New York 10014, and our telephone number is (646) 624-2400. Our website address is www.togrp.com. The information on our website is not a part of this prospectus.

Certain Risks Affecting Us

Our business is subject to numerous risks, as more fully described below in the section of this prospectus entitled "Risk Factors," including the following:

- our ability to successfully adjust to changes in consumer preferences, discretionary spending patterns and general economic conditions, including recent economic events;

- our restaurants and food and beverage hospitality services operations ability to compete successfully with other restaurants, food and beverage hospitality services operations and other similar operations;

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- our expectations regarding future growth, including our ability to open new restaurants, and food and beverage hospital services locations and operate them profitably;
- our ability to continue to develop and grow new concepts;
- our ability to maintain and grow acceptance of our brands;
- our expectations regarding higher operating costs, including labor costs;
- our ability to obtain our principal food products and manage related costs;
- our expectations regarding the seasonality of our business;
- our expectations regarding litigation or other legal proceedings;
- the impact of federal, state or local government statutes, rules and regulations;
- our expectations regarding the loss of key members of our management team or employees;
- our expectations regarding our liquidity and capital resources, including our ability to meet our lease obligations;
- our expectations regarding the amount and terms of our existing or future indebtedness; and
- our ability to maintain adequate protection of our intellectual property.

The Offering

Common stock offered by the selling stockholders	7,243,850 shares.
Common stock outstanding immediately after this offering	24,946,739 shares.
Use of proceeds	We will not receive any of the proceeds from the sale of shares of our Common Stock sold in this offering. The selling stockholders will receive all net proceeds from the sale of shares of our Common Stock in this offering.
Offering Price	The selling stockholders may, from time to time, sell, transfer or otherwise dispose of any or all of their shares of our Common Stock or interests in shares of our Common Stock at fixed prices, at prevailing market prices at the time of sale, at prices related to the prevailing market price, at varying prices determined at the time of sale, or at negotiated prices.
Lock-Up Agreements	Selling stockholders who hold an aggregate of 4,112,511 shares of the Common Stock included in this offering are subject to lock-up agreements, which restrict the sale of such shares for a period of six (6) months following the consummation of the Merger. See “Shares Eligible for Future Sale—Lock-Up Agreements”.
Risk factors	You should carefully read and consider the information set forth under the caption “Risk Factors” and all other information set forth in this prospectus before investing in our common stock.

SELECTED CONSOLIDATED FINANCIAL DATA

The following table summarizes the consolidated historical financial and operating data of One Group for the periods indicated. The statements of income data for the fiscal years ended December 31, 2012, 2011 and 2010 and the balance sheet data as of December 31, 2012 and December 31, 2011 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The balance sheet data as of December 31, 2010 have been derived from our audited consolidated financial statements not included in this prospectus. The statements of income data from the fiscal years ended December 31, 2009 and December 31, 2008 and the balance sheet data as of December 31, 2009 and 2008 have been derived from our unaudited consolidated financial statements not included in this prospectus. The statements of income data for the nine months ended September 30, 2013 and 2012 and the balance sheet data as of September 30, 2013 have been derived from our unaudited consolidated financial statements included elsewhere in this prospectus. The balance sheet data as of September 30, 2012 has been derived from our unaudited consolidated financial statements not included in this prospectus. The financial data presented includes all normal and recurring adjustments that we consider necessary for a fair presentation of the financial position and results of operations for such periods.

The historical results presented below are not necessarily indicative of the results to be expected for any future period. This information should be read in conjunction with "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our audited consolidated financial statements and the related notes included elsewhere in this prospectus.

	For the Nine Months Ended		For the Years Ended				
	September 30, 2013	September 30, 2012	December 31, 2012	December 31, 2011 (restated)(1)	December 31, 2010	December 31, 2009	Dece 2008
Revenues:							
Owned unit net revenue	$ 29,136,159	$ 44,261,251	$ 56,429,452	$ 43,655,381	$ 38,477,190	$ 39,555,109	$ 46,
Management and incentive fee revenue(2)	5,585,556	2,417,718	3,691,270	2,436,280	184,483	66,719	
Total Revenues	$ 34,721,715	$ 46,678,969	$ 60,120,722	$ 46,091,661	$ 38,661,673	$ 39,621,828	$ 46,
Income (loss) from continuing operations	2,466,891	9,306,844	7,232,765	2,754,680	1,545,978	(351,608)	1,5
Net income (loss)	(2,696,529)	6,869,830	(2,792,114)	1,866,999	721,374	(2,414,797)	1,5
Less: net income (loss) attributable to noncontrolling interest	(69,198)	3,694,414	(446,046)	864,026	798,730	(215,217)	1,4

Net income (loss) attributable to One Group, LLC and Subsidiaries and Affiliate	$ (2,627,331)	$ 3,175,416	$ (2,346,068)	$ 1,002,973	$ (77,356)	$ (2,199,580)	$ 131
Other comprehensive income (loss): Currency translation adjustment	105,711	(6,074)	(12,092)	-	-	-	-
Comprehensive (loss) income	$ (2,521,620)	$ 3,169,342	$ (2,358,160)	$ 1,002,973	$ (77,356)	$ (2,199,580)	$ 131

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	Nine Months Ended		Year Ended				
	September 30, 2013	September 30, 2012	December 31, 2012	December 31, 2011 (restated)(1)	December 31, 2010	December 31, 2009	Decembe 2008
Pro Forma Per Share Data:(3)							
Basic and diluted income (loss) per share from continuing operations	$ 0.11	$ 0.43	$ 0.33	$ 0.13	$ 0.07	$ (0.02)	$ 0.07
Basic and diluted income (loss) per share attributable to The ONE Group, LLC and Subsidiaries and Affiliates	$ (0.12)	$ 0.15	$ (0.11)	$ 0.05	$ (0.00)	$ (0.10)	$ 0.01
Weighted average common stock outstanding							
Basic	21,815,400	21,815,400	21,815,400	21,815,400	21,815,400	21,815,400	21,815
Diluted	21,815,400	21,815,400	21,815,400	21,815,400	21,815,400	21,815,400	21,815
Balance Sheet Data (at end of period):							
Total assets	$ 24,835,077	$ 33,249,455	$ 23,987,293	$ 27,561,951	$ 23,862,108	$ 19,775,652	$ 24,256
Total debt	$ 12,602,874	$ 8,124,511	$ 7,840,391	$ 6,192,723	$ 5,405,644	$ 5,734,082	$ 6,604,9
Cash dividends per common share	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00

(1) Subsequent to the issuance of the 2011 consolidated financial statements on July 26, 2012, it was determined that certain entities included in the consolidated financial statements did not meet the requirements to be consolidated. Further, as a result, the Company restated its previously issued consolidated financial statements for the year ended December 31, 2011. In addition to correcting the error noted previously, the Company has made certain reclassifications to the 2011 consolidated financial statements to conform to the 2012 presentation.

(2) Such management and incentive fee revenue is based on a percentage of aggregate food and beverage sales, which totaled $59,067,700 for the nine months ended September 30, 2013, $34,594,767 for the nine months ended September 30, 2012, $49,789,864 for the year ended December 31, 2012, $37,350,406 for the year ended December 31, 2011 and $2,982,176 for the year ended December 31, 2010.

(3) Per Share Data and Basic and Diluted shares are being shown on a pro forma basis and reflect the legal share structure subsequent to the Merger. Basic and Diluted shares do not include 5,750,000 of warrants since the exercise price of these warrants equaled the share price at the time of the merger and does not include 3,131,339 shares issued in the October 2013 Private Placement. Pro forma earnings per share for the nine months ended September 30, 2013 and the year ended December 31, 2012 assuming the shares issued in the October 2013 private placement is as follows:

	Nine Months Ended September 30, 2013	Year Ended December 31, 2012
Assuming shares issued in October 2013 private placement		
Basic and diluted income per share from continuing operations	$ 0.10	$ 0.29
Basic and diluted loss per share attributable to The ONE Group, LLC and Subsidiaries and Affiliates	$ (0.11)	$ (0.09)

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RISK FACTORS

Investing in our common stock involves a high degree of risk. You should consider carefully the risks, uncertainties and other factors described below, in addition to the other information set forth in this prospectus, before deciding whether to invest in shares of our common stock. Any of these risks, uncertainties and other factors could materially and adversely affect our business, financial condition, results of operations, cash flows or prospects. In that case, the market price of our common stock could decline, and you may lose all or part of your investment in our common stock. See also "Cautionary Note Regarding Forward-Looking Statements."

Risks Related to Our Business

Our business is dependent on discretionary spending patterns in the areas in which our restaurants and food and beverage hospitality services operations are located and in the economy at large and economic downturns could materially adversely affect our results of operations.

Purchases at our restaurants and food and beverage hospitality services locations are discretionary for consumers and we are therefore susceptible to changes in discretionary patterns or economic slowdowns in the geographic areas in which they are located and in the economy at large. We believe that consumers generally are more willing to make discretionary purchases, including high-end restaurant meals, during favorable economic conditions. Disruptions in the overall economy, including high unemployment, financial market volatility and unpredictability, and the related reduction in consumer confidence could negatively affect customer traffic and sales throughout our industry, including our segment. Also, we believe the majority of our weekday revenues are derived from business customers using expense accounts and our business therefore may be affected by reduced expense account or other business-related dining by our business clientele. If business clientele were to dine less frequently at our locations or to spend at reduced levels, our business and results of operations would be adversely affected as a result of a reduction in customer traffic or average revenues per customer. Our hotel-based restaurants and food and beverage services operations would be particularly susceptible to reductions in business travel. There is also a risk that if the current economic conditions persist or worsen for an extended period of time, consumers might make long-lasting changes to their discretionary spending behavior, including dining out less frequently. Our casino-based restaurants and food and beverage services operations would be particularly susceptible to reductions in discretionary spending. The ability of the U.S. economy to return to the levels realized prior to the most recent economic downturn is likely to be affected by many national and international factors that are beyond our control, including current economic trends in Europe and Asia. These factors, including national, regional and local politics and economic conditions, disposable consumer income and consumer confidence, also affect discretionary consumer spending. Continued weakness in or a further worsening of the economy, generally or in a number of our markets, and our customers' reactions to these trends could adversely affect our business and cause us to, among other things, reduce the number and frequency of new location openings, close locations and delay our re-modeling of existing locations.

Changes in consumer preferences could adversely impact our business and results of operations.

The restaurant and hospitality industry is characterized by the continual introduction of new concepts and is subject to rapidly changing consumer preferences, tastes, trends and eating and purchasing habits. Our success depends in part on our ability to anticipate and respond quickly to changing consumer preferences, as well as other factors affecting the restaurant and hospitality industry, including new market entrants and demographic changes. Shifts in consumer preferences away from upscale steakhouses or beef in general, which are significant components of our concepts' menus and appeal, whether as a result of economic, competitive or other factors, could adversely affect our business and results of operations.

Our STK locations in New York and Las Vegas represent a significant portion of our revenues, and any significant downturn in their business or disruption in the operation of these locations could harm our business, financial condition and results of operations.

Our STK locations in New York and Las Vegas represented approximately 14% (Downtown), 12% (Midtown) and 21% (Las Vegas) of our total revenues (both owned and managed properties) in 2012. Accordingly, we are susceptible to any fluctuations in the business at our New York and Las Vegas STK locations, whether as a result of adverse economic conditions, negative publicity, changes in customer preferences or for other reasons. In addition, any natural disaster, prolonged inclement weather, act of terrorism or national emergency, accident, system failure or other unforeseen event in or around New York City or Las Vegas could result in a temporary or permanent closing of that location, could influence potential customers to avoid that geographic region or that location in particular or otherwise lead to a significant decrease in our overall revenues. Any significant interruption in the operation of these locations or other reduction in sales could adversely affect our business and results of operations. We also expect that our London operations will account for a significant percentage of revenue going forward and, accordingly, if our London operations were to perform below expectations our overall business, financial condition or results of operations would suffer.

In the foreseeable future we will continue to maintain a relatively small number of restaurant and food and beverage hospitality service locations. Accordingly, we will continue to depend on a small number of revenue generating installations to generate revenues and profits.

While we plan on growing as rapidly as prudently possible, in the foreseeable future we will only have a relatively small installed base from which to derive revenue and profits. Even if we are successful in implementing these plans (of which there can be no assurance), our operational risk will still be concentrated in a relatively small base of operating installations and failure of any of those installations to produce satisfactory levels of revenue or profit could materially and adversely affect our business, financial condition and results of operations as a whole.

Some of our restaurants and food and beverage hospitality services operations are located in regions that may be susceptible to severe weather conditions. As a result, adverse weather conditions in any of these areas could damage our operations, result in fewer customer visits to our operations and otherwise have a material adverse impact on our business.

Sales in any of our restaurants and food and beverage hospitality services operations may be adversely impacted by severe weather conditions, which can cause us to close operations for a period of time and/or incur costly repairs and/or experience a reduction in customer traffic. In addition, the impact severe weather conditions could cause us to cease operations at the affected location altogether. For example, we believe that the adverse weather experienced in the Northeast in 2012, specifically the impact caused by Hurricane Sandy as well as the poor weather conditions in the New York City area at the beginning of 2013, had a significant negative impact on our sales and results of operations. In addition and by way of example, excessive heat in locations in which we operate outdoor installations, such as rooftops and pools, could have a material adverse effect on the operations in those locations. Weather conditions are impossible to predict as is the negative impact on our business that such conditions might cause.

If our restaurants and food and beverage hospitality services operations are not able to compete successfully with other restaurants, food and beverage hospitality services operations and other similar operations, our business and results of operations may be adversely affected.

Our industry is intensely competitive with respect to price, quality of service, location, ambiance of facilities and type and quality of food. A substantial number of national and regional restaurant chains and independently owned restaurants compete with us for customers, restaurant locations and qualified management and other restaurant staff. The principal competitors for our concepts are other upscale steakhouse chains such as Del Frisco’s, Mastro’s, Fleming’s Prime Steakhouse and Wine Bar and The Capital Grille, as well as local upscale steakhouses such as Abe & Arthur’s in New York City and She in Las Vegas, Nevada. Further, there is also competition from non-steak but upscale and high-energy restaurants such as Nobu and Lavo. Our concepts also compete with restaurants and other food and beverage hospitality services operations in the broader upscale dining segment and high-energy nightlife concepts. To the extent that our restaurants and food and beverage hospitality services operations are located in hotels, casinos,

resorts and similar client locations, we are subject to competition in the broader lodging and hospitality markets that could draw potential customers away from our locations. Some of our competitors have greater financial and other resources, have been in business longer, have greater name recognition and are better established in the markets where our restaurants and food and beverage hospitality services operations are located or where we may expand. Our inability to compete successfully with other restaurants and food and beverage hospitality services operations may harm our ability to maintain acceptable levels of revenue growth, limit or otherwise inhibit our ability to grow one or more of our concepts, or force us to close one or more of our restaurants or food and beverage hospitality services operations. We may also need to evolve our concepts in order to compete with popular new restaurant or food and beverage hospitality services operation formats, concepts or trends that emerge from time to time, and we cannot provide any assurance that we will be successful in doing so or that any changes we make to any of our concepts in response will be successful or not adversely affect our profitability. In addition, with improving product offerings at fast casual restaurants and quick-service restaurants combined with the effects of negative economic conditions and other factors, consumers may choose less expensive alternatives, which could also negatively affect customer traffic at our restaurants or food and beverage hospitality services operations. Any unanticipated slowdown in demand at any of our restaurants or food and beverage hospitality services operations due to industry competition may adversely affect our business and results of operations.

To the extent that our restaurants and food and beverage hospitality services operations are located in hotels, casinos and similar destinations, our results of operations and growth are subject to the risks facing such venues.

Our ability to grow and realize profits from our operations in hotels, casinos and other branded or destination venues are dependent on the success of such venues' business. We are subject to the business decisions of our clients, in which we may have little or no influence in the overall operation of the applicable venue. For example, revenues from our Miami STK in the Perry Hotel are being adversely impacted by the renovations currently taking place at the Perry. In this case, we had no control over the decision of hotel management to temporarily close the hotel for renovations.

We will need to secure additional financing to support our planned operations.

We will require additional funds for our anticipated operations and to meet our capital needs. We expect to rely on our cash flow from operations, the proceeds from the October 2013 Private Placement, the remaining proceeds from our initial public offering ("IPO") and other third-party financing for such funds. In the event our cash flow is insufficient to fund our further expansion, our inability to raise capital in addition to the proceeds from the October 2013 Private Placement and the remaining proceeds from our IPO would impede our growth and could materially adversely affect our existing business, financial condition or results of operations. Our ability to obtain additional funding will be subject to various factors, including market conditions, our operating performance, lender sentiment and our ability to incur additional debt in compliance with other contractual restrictions such as financial covenants under our existing credit facility or other debt documents. These factors may make the timing, amount, terms and conditions of additional financings unattractive. There is no assurance that we will be successful in securing the additional capital we need to fund our business plan on terms that are acceptable to us, or at all.

Our future growth depends in part on our ability to open new restaurants and food and beverage hospitality services locations and to and operate them profitably, and if we are unable to successfully execute this strategy, our results of operations could be adversely affected.

Our financial success depends in part on management's ability to execute our growth strategy. One key element of our growth strategy is opening new restaurants and food and beverage hospitality operations. We believe there are opportunities to open approximately three to five new locations (restaurants and/or hospitality services operations) annually, with STK serving as the primary driver of new unit growth in the near term. However, there can be no assurance that we will be able to open new restaurants and food and beverage hospitality operations at the rate we currently expect.

A substantial majority of our historical growth has been due to opening new restaurants and food and beverage hospitality services locations. Our ability to open new restaurants and food and beverage hospitality services locations

and operate them profitably is dependent upon a number of factors, many of which are beyond our control, including without limitation:

- finding quality site locations, competing effectively to obtain quality site locations and reaching acceptable agreements to lease or purchase sites;

- complying with applicable zoning, land use and environmental regulations and obtaining, for an acceptable cost, required permits and approvals;

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- having adequate capital for construction and opening costs and efficiently managing the time and resources committed to building and opening each new restaurant and food and beverage hospitality services operation;

- timely hiring and training and retaining the skilled management and other employees necessary to meet staffing needs;

- successfully promoting our new locations and competing in their markets;

- acquiring food and other supplies for new restaurants and food and beverage hospitality services operations from local suppliers; and

- addressing unanticipated problems or risks that may arise during the development or opening of a new restaurant or food and beverage hospitality services operation or entering a new market.

We incur substantial pre-opening costs that may be difficult to recoup quickly.

While our business model tends to rely on landlord or host contributions to the capital costs of opening a new restaurant or food and beverage hospitality services operations, we incur substantial costs in our contributions to the build-out of the locations, recruiting and training staff, obtaining necessary permits, advertising and promotion and other pre-operating items. Once the restaurant or food and beverage hospitality services location is open, how quickly it achieves a desired level of profitability is impacted by many factors, including the level of market familiarity and acceptance when we enter new markets. Our business and profitability may be adversely affected if the "ramp-up" period for a new location lasts longer than we expect or if the profitability of a new location dips after our initial "ramp-up" marketing program ends.

New locations, once opened, may not be profitable, and the increases in average location sales and comparable location sales that we have experienced in the past may not be indicative of future results.

New locations may not be profitable and their sales performance may not follow historical or projected patterns. If we are forced to close any new operations, we will incur losses for the pre-opening expenses incurred in connection with opening such operations. In addition, our average location sales and comparable location sales may not increase at the rates achieved over the past several years. If our new locations do not perform as planned, our business, financial condition or results of operations could be adversely affected.

Our expansion into new markets may present increased risks.

We plan to open new locations in markets where we have little or no operating experience. Restaurants or food and beverage hospitality services operations which we open in new markets may take longer to reach expected sales and profit levels on a consistent basis and may have higher construction, occupancy or operating costs than locations we open in existing markets, thereby affecting our overall profitability. New markets may have competitive conditions, consumer tastes and discretionary spending patterns that are more difficult to predict or satisfy than our existing markets. We may need to make greater investments than we originally planned in advertising and promotional activity in new markets to build brand awareness. We may find it more difficult in new markets to hire, motivate and keep qualified employees who share our vision, passion and business culture. We may also incur higher costs from entering new markets, if, for example, we assign area managers to manage comparatively fewer locations than we assign in more developed markets. We may find that restaurants in new markets do not meet our revenue and profit expectations and we may be forced to close those operations, incurring closing costs and reducing our opportunities. If we do not successfully execute our plans to enter new markets, our business, financial condition or results of operations could be materially adversely affected.

Opening new restaurants and food and beverage hospitality services operations in existing markets may negatively affect sales at our existing restaurants and food and beverage hospitality services operations .

The consumer target area of our restaurants and food and beverage hospitality services operations varies by location, depending on a number of factors, including population density, other local retail and business attractions, area demographics and geography. As a result, the opening of a new restaurant or food and beverage hospitality services operation in or near markets in which we already have existing locations could adversely affect the sales of those existing locations. Existing locations could also make it more difficult to build our consumer base for a new restaurant or food and beverage hospitality services operation in the same market. Our core business strategy does not entail opening new restaurants or food and beverage hospitality services operations that we believe will materially affect sales at our existing locations, but we may selectively open new locations in and around areas of existing locations that are operating at or near capacity to effectively serve our customers. Sales cannibalization between our restaurants and food and beverage hospitality services operations may become significant in the future as we continue to expand our operations and could affect our sales growth, which could, in turn, materially adversely affect our business, financial condition or results of operations.

We face a variety of risks associated with doing business in foreign markets that could have a negative impact on our financial performance.

We operate an STK restaurant as well as food and beverage hospitality services locations in London and we intend to continue our efforts to grow internationally. Although we believe we have developed the support structure for international operations and growth, there is no assurance that international operations will be profitable or international growth will continue. Our foreign operations are subject to all of the same risks as our domestic restaurants and food and beverage hospitality services operations, as well as additional risks including, among others, international economic and political conditions and the possibility of instability and unrest, differing cultures and consumer preferences, diverse government regulations and tax systems, the ability to source fresh ingredients and other commodities in a cost-effective manner and the availability of experienced management.

Currency regulations and fluctuations in exchange rates could also affect our performance. As a result, we may experience losses from foreign currency translation, and such losses could adversely affect our overall sales and earnings.

We are subject to governmental regulation throughout the world, including, without limitation, antitrust and tax requirements, anti-boycott regulations, import/export/customs regulations and other international trade regulations, the USA Patriot Act and the Foreign Corrupt Practices Act. Any new regulatory or trade initiatives could impact our operations in certain countries. Failure to comply with any such legal requirements could subject us to monetary liabilities and other sanctions, which could harm our business, results of operations and financial condition.

If we are unable to increase our sales or improve our margins at existing restaurants and food and beverage hospitality services operations, our profitability and overall results of operations may be adversely affected.

Another key aspect of our growth strategy is increasing comparable restaurant and food and beverage hospitality services operation sales and improving location-level margins. Improving comparable location sales and location-level margins depends in part on whether we achieve revenue growth through increases in the average check and further expand our private dining business at each location. We believe there are opportunities to increase the average check at our locations through, for example, selective introduction of higher priced items and increases in menu pricing. We also believe that expanding and enhancing our private dining capacity will also increase our location sales, as our private dining business typically has a higher average check and higher overall margins than regular dining room business. However, these strategies may prove unsuccessful, especially in times of economic hardship, as customers may not order or enjoy higher priced items and discretionary spending on private dining events may decrease. We believe select price increases have not historically adversely impacted customer traffic; however, we expect that there is a price level at which point customer traffic would be adversely affected. It is also possible that these changes could cause our sales volume to decrease. If we are not able to increase our sales at existing locations for any reason, our profitability and results of operations could be adversely affected.

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We are dependent on our intellectual property to sustain our branding and differentiation strategies. The failure to enforce and maintain our intellectual property rights could enable others to use names confusingly similar to the names and marks used by our restaurants and food and beverage hospitality services operations, which could adversely affect the value of our brands.

We have registered, or have applications pending to register or have exclusive rights to utilize, the trademark STK with the United States Patent and Trademark Office and in certain foreign countries. In addition, we have the exclusive right to utilize the trademark Asellina in connection with restaurant services within the United States. The success of our business depends in part on our continued ability to utilize our existing trade names, trademarks and service marks as currently used in order to increase our brand awareness. In that regard, we believe that our trade names, trademarks and service marks are valuable assets that are critical to our success. The unauthorized use or other misappropriation of our trade names, trademarks or service marks could diminish the value of our brands and restaurant and food and beverage hospitality service concepts and may cause a decline in our revenues and force us to incur costs related to enforcing our rights. In addition, the use of trade names, trademarks or service marks similar to ours in some markets may keep us from entering those markets. While we may take protective actions with respect to our intellectual property, these actions may not be sufficient to prevent, and we may not be aware of all incidents of, unauthorized usage or imitation by others. Any such unauthorized usage or imitation of our intellectual property, including the costs related to enforcing our rights, could adversely affect our business and results of operations.

Further, each of our marks is pledged as collateral securing our credit facility with BankUnited (formerly Herald National Bank). Default under that agreement could enable BankUnited to sell (at auction or otherwise) our trademarks, which would have a material adverse effect on our ability to continue our business. We have been in technical default under the credit facility but the lender has waived such past defaults. There can be no assurance that we will continue to receive waivers from the lender under our credit facility for any future defaults.

Some of our concepts are new and may not gain customer loyalty.

We have recently introduced the Asellina concept. There can be no assurance that this concept will enjoy broad consumer acceptance or that we will be able to successfully develop and grow this or any other new concepts to a point where they will become profitable or generate positive cash flow or prove to be a platform for future expansion. We may not be able to attract enough customers to meet targeted levels of performance at new restaurants and food and beverage hospitality services operations because potential customers may be unfamiliar with our concepts or the atmosphere or menu might not appeal to them. Restaurants and food and beverage hospitality services operations that are new in concept may even operate at a loss, which could have a material adverse effect on our overall operating results. In addition, opening a new concept such as Asellina in an existing market could reduce the revenue of our existing locations in that market. If we cannot successfully execute our growth strategies for new concepts or if customer traffic generated by new concepts results in a decline in customer traffic at one of our other locations in the same market, our business and results of operations may be adversely affected.

Due to the seasonality of our business, our operating results may fluctuate significantly and these fluctuations make it more difficult for us to predict accurately or in a timely manner factors that may have a negative impact on our business.

Our business is subject to seasonal fluctuations that may vary greatly depending upon the region in which a particular restaurant or food and beverage hospitality services operation is located. These fluctuations can make it more difficult for us to predict accurately or address in a timely manner factors that may have a negative impact on our business. Accordingly, results for any one quarter or fiscal year are not necessarily indicative of results to be expected for any other quarter or for any year.

If our advertising and marketing programs are unsuccessful in maintaining or driving increased customer traffic or are ineffective in comparison to those of our competitors, our results of operations could be adversely affected.

We conduct ongoing promotion-based brand awareness advertising campaigns. If these programs are not successful or conflict with evolving customer preferences, we may not increase or maintain our customer traffic and will incur expenses without the benefit of higher revenues. In addition, if our competitors increase their spending on marketing and advertising programs, or develop more effective campaigns, this could have a negative effect on our brand relevance, customer traffic and results of operations.

Negative customer experiences or negative publicity surrounding our locations or other restaurants or venues could adversely affect sales in one or more of our locations and make our brands less valuable.

The quality of our food and our facilities are two of our competitive strengths. Therefore, adverse publicity, whether or not accurate, relating to food quality, public health concerns, illness, safety, injury or government or industry findings concerning our locations, venues operated by other foodservice providers or others across the food industry supply chain could affect us more than it would other venues that compete primarily on price or other factors. If customers perceive or experience a reduction in our food quality, service or ambiance or in any way believe we have failed to deliver a consistently positive experience, the value and popularity of one or more of our concepts could suffer. Any shifts in consumer preferences away from the kinds of food we offer, particularly beef, whether because of dietary or other health concerns or otherwise, would make our locations less appealing and could reduce customer traffic and/or impose practical limits on pricing.

Negative publicity relating to the consumption of beef, including in connection with food-borne illness, or shifts in consumer tastes, could result in reduced consumer demand for our menu offerings, which could reduce sales.

Our success depends, in large part, upon the popularity of our menu offerings. Instances of food-borne illness, including Bovine Spongiform Encephalopathy, which is also known as BSE or mad cow disease, aphthous fever, which is also known as hoof and mouth disease, as well as hepatitis A, lysteria, salmonella and e-coli, whether or not found the United States or traced directly to one of our suppliers or our locations, could reduce demand for our menu offerings. Any negative publicity relating to these and other health-related matters, or any other shifts in consumer preferences away from the kinds of food we offer, particularly beef, whether because of dietary or other health concerns or otherwise, may affect consumers' perceptions of our locations and the food that we offer, reduce customer visits to our locations and negatively impact demand for our menu offerings. Adverse publicity relating to any of these matters, beef in general or other similar concerns could adversely affect our business and results of operations.

Increases in the prices of, and/or reductions in the availability of commodities, primarily beef, could adversely affect our business and results of operations.

Our profitability depends in part on our ability to anticipate and react to changes in commodity costs, which have a substantial effect on our total costs. For example purchases of beef represented approximately 30% of our food and beverage costs during each of 2010, 2011 and 2012, and we may not purchase beef pursuant to any long-term contractual arrangements with fixed pricing or use futures contracts or other financial risk management strategies to reduce our exposure to potential price fluctuations. The market for beef is subject to extreme price fluctuations due to seasonal shifts, climate conditions, the price of feed, industry demand, energy demand and other factors. For example, during 2011 and 2012, beef costs were impacted by (i) the summer drought in Texas and Oklahoma, (ii) the price of corn, (iii) the entrance of major supermarkets into the USDA choice beef market and (iv) new free trade agreements increasing exports. Although we currently do not engage in futures contracts or other financial risk management

strategies with respect to potential price fluctuations, from time to time, we may opportunistically enter into fixed price beef supply contracts or contracts for other food products or consider other risk management strategies with regard to our meat and other food costs to minimize the impact of potential price fluctuations. This practice could help stabilize our food costs during times of fluctuating prices, although there can be no assurances that this will occur. The prices of other commodities can affect our costs as well, including corn and other grains, which are ingredients we use regularly and are also used as cattle feed and therefore affect the price of beef. Energy prices can also affect our bottom line, as increased energy prices may cause increased transportation costs for beef and other supplies, as well as increased costs for the utilities required to run each location. Historically we have passed increased commodity and other costs on to our customers by increasing the prices of our menu items. While we believe these price increases did not historically affect our customer traffic, there can be no assurance additional price increases would not affect future customer traffic. If prices increase in the future and we are unable to anticipate or mitigate these increases, or if there are shortages for beef, our business and results of operations would be adversely affected.

We depend upon frequent deliveries of food, alcohol and other supplies, which subjects us to the possible risks of shortages, interruptions and price fluctuations.

Our ability to maintain consistent quality throughout our locations depends in part upon our ability to acquire fresh products, including beef, fresh seafood, quality produce and related items from reliable sources in accordance with our specifications. While we purchase our food products from a variety of suppliers and believe there to be multiple sources for our food products, if there were to occur any shortages, interruptions or significant price fluctuations in beef or seafood or if our suppliers were unable to perform adequately or fail to distribute products or supplies to our restaurants, or terminate or refuse to renew any contract with us, this could cause a short-term increase of our costs or cause us to remove certain items from a menu, increase the price of certain offerings or temporarily close a location, which could adversely affect our business and results of operations.

In addition, we purchase beer, wine and spirits from distributors, such as Southern Wine & Spirits and Republic National Distributing Company, who own the exclusive rights to sell such alcoholic beverage products in the geographic areas in which our locations reside. Our continued ability to purchase certain brands of alcohol beverages depends upon maintaining our relationships with those distributors, of which there can be no assurance. In the event any of our alcohol beverage distributors cease to supply us, we may be forced to offer brands of alcoholic beverage which have less consumer appeal or which do not match the brand image of our locations, which could increase our costs and our business and results of operations could be adversely affected.

We depend on the services of key executives, and our business and growth strategy could be materially harmed if we were to lose these and executives and were unable to replace them with executives of equal experience and capabilities. We will require additional senior personnel to support growth.

Some of our senior executives, such as Jonathan Segal, our Chief Executive Officer, and Sam Goldfinger, our Chief Financial Officer, are particularly important to our success because they have been instrumental in setting our strategic direction, operating our business, identifying, recruiting and training key personnel, identifying expansion opportunities and arranging necessary financing. On January 10, 2014, we agreed to terms of employment with John Inserra to serve as our Chief Operating Officer, and we also plan to hire additional senior management personnel in order to support our planned growth. We currently have employment agreements with Messrs. Segal and Goldfinger, however we cannot prevent our executives from terminating their employment with us. Losing the services of any of these individuals could adversely affect our business. We also believe that our senior executives could not quickly be replaced with executives of equal experience and capabilities and their successors may not be as effective. We currently maintain a $5,000,000 key person life insurance policy on Jonathan Segal and in the event of Mr. Segal’s death the proceeds from such policy are payable to us.

We will need additional human and financial resources to sustain growth and the strain on our infrastructure and resources could delay the opening of new locations and adversely affect our ability to manage our existing

locations.

We plan to continue our current pace of growth, including the development and promotion principally of STK. We believe there are opportunities to open three to five locations (restaurants and/or food and beverage hospitality services operations) annually, with new openings of STK likely serving as the key driver of new unit growth in the near term. In addition to new openings, we also may, among other things, add additional seating to our existing locations, further grow our private dining business, enclose outdoor space and add patio seating to our locations. This growth and these investments will increase our operating complexity and place increased demands on our management and human resources, purchasing and site management teams. While we have committed significant resources to expanding our current management systems, financial and management controls and information systems in connection with our recent growth, if this infrastructure is insufficient to support this expansion, our ability to open new locations, including the development and promotion of STK and to manage our existing locations, including the expansion of our private dining business, would be adversely affected. If we fail to continue to improve our infrastructure or if our improved infrastructure fails, we may be unable to implement our growth strategy or maintain current levels of operating performance in our existing locations.

Restaurant and hospitality companies have been the target of class action lawsuits and other proceedings alleging, among other things, violations of federal and state workplace and employment laws. Proceedings of this nature, if successful, could result in our payment of substantial damages.

In recent years restaurant and hospitality companies have been subject to lawsuits (including class actions) alleging, among other things, violations of federal and state laws regarding workplace and employment matters, discrimination and similar matters. A number of these lawsuits have resulted in the payment of substantial damages by the defendants. Similar lawsuits have been instituted from time to time alleging violations of various federal and state wage and hour laws regarding, among other things, employee meal deductions, the sharing of tips amongst certain employees, overtime eligibility of assistant managers and failure to pay for all hours worked. Although we maintain what we believe to be adequate levels of insurance commensurate with the nature and extent of our operations, insurance may not be available at all or in sufficient amounts to cover any liabilities with respect to these matters. Accordingly, if we are required to pay substantial damages and expenses as a result of these types or other lawsuits our business and results of operations would be adversely affected.

Occasionally, our customers file complaints or lawsuits against us alleging that we are responsible for some illness or injury they suffered at or after a visit to one of our locations, including actions seeking damages resulting from food borne illness and relating to notices with respect to chemicals contained in food products required under state law. We are also subject to a variety of other claims from third parties arising in the ordinary course of our business, including personal injury claims, contract claims and claims alleging violations of federal and state laws. In addition, our restaurants and food and beverage hospitality services operations are subject to state “dram shop” or similar laws which generally allow a person to sue us if that person was injured by a legally intoxicated person who was wrongfully served alcoholic beverages at one of our locations. The restaurant and hospitality industry has also been subject to a growing number of claims that the menus and actions of restaurant chains have led to the obesity of certain of their customers. In addition, we may also be subject to lawsuits from our employees or others alleging violations of federal and state laws regarding workplace and employment matters, discrimination and similar matters. A number of these lawsuits have resulted in the payment of substantial damages by the defendants.

Regardless of whether any claims against us are valid or whether we are liable, claims may be expensive to defend and may divert time and money away from our operations. In addition, they may generate negative publicity, which could reduce customer traffic and sales. Although we maintain what we believe to be adequate levels of insurance, insurance may not be available at all or in sufficient amounts to cover any liabilities with respect to these or other matters. A judgment or other liability in excess of our insurance coverage for any claims or any adverse publicity resulting from claims could adversely affect our business and results of operations.

Our business is subject to substantial government regulation and we require current permits in order to operate. Failure to obtain and maintain the necessary permits in any of our locations could cause a material adverse effect on their ability to operate and generate revenue.

Our business is subject to extensive federal, state and local government regulation, including regulations related to the preparation and sale of food, the sale of alcoholic beverages, the sale and use of tobacco, zoning and building codes, land use and employee, health, sanitation and safety matters. For example, the preparation, storing and serving of food and the use of certain ingredients is subject to heavy regulation. Alcoholic beverage control regulations govern various aspects of our locations' daily operations, including the minimum age of patrons and employees, hours of operation, advertising, wholesale purchasing and inventory control, handling and storage. Typically our locations' licenses to sell alcoholic beverages must be renewed annually and may be suspended or revoked at any time for cause. In addition, because we operate in a number of different states, we are also required to comply with a number of different laws covering the same topics. The failure of any of our locations to timely obtain and maintain necessary governmental approvals, including liquor or other licenses, permits or approvals required to serve alcoholic beverages or food could delay or prevent the opening of a new location or prevent regular day-to-day operations, including the sale of alcoholic beverages, at a location that is already operating, any of which would adversely affect our business and results of operations.

In addition, the costs of operating our locations may increase if there are changes in laws governing minimum hourly wages, working conditions, overtime and tip credits, health care, workers' compensation insurance rates, unemployment tax rates, sales taxes or other laws and regulations such as those governing access for the disabled, including the Americans with Disabilities Act. For example, the Federal Patient Protection and Affordable Care Act, or PPACA, which was enacted on March 23, 2010, among other things, includes guaranteed coverage requirements and imposes new taxes on health insurers and health care benefits that could increase the costs of providing health benefits to employees. In addition, because we have a significant number of locations that reside in certain states, regulatory changes in these states could have a disproportionate impact on our business. If any of the foregoing increased costs and we were unable to offset the change by increasing our menu prices or by other means, our business and results of operations could be adversely affected.

Government regulation can also affect customer traffic at our locations. A number of states, counties and cities have enacted menu labeling laws requiring multi-unit restaurant operators to disclose certain nutritional information. For example, the PPACA establishes a uniform, federal requirement for restaurant chains with 20 or more locations operating under the same trade name and offering substantially the same menus to post nutritional information on their menus, including the total number of calories. The law also requires such restaurants to provide to consumers, upon request, a written summary of detailed nutritional information, including total calories and calories from fat, total fat, saturated fat, cholesterol, sodium, total carbohydrates, complex carbohydrates, sugars, dietary fiber, and total protein in each serving size or other unit of measure, for each standard menu item. The FDA is also permitted to require additional nutrient disclosures, such as trans-fat content. We are not currently subject to requirements to post nutritional information on our menus or in our locations though there can be no assurance that we will not become subject to these requirements in the future. The publication of the final rules has been delayed and the FDA has not provided an expected date for their publication. Our compliance with the PPACA or other similar laws to which we may become subject could reduce demand for our menu offerings, reduce customer traffic and/or reduce average revenue per customer, which would have an adverse effect on our revenue. Also, further government regulation restricting smoking in restaurants and bars, may reduce customer traffic. Any reduction in customer traffic related to these or other government regulations could affect revenues and adversely affect our business and results of operations.

We are also subject to federal, state and local laws and regulations concerning waste disposal, pollution, protection of the environment, and the presence, discharge, storage, handling, release and disposal of, and exposure to, hazardous or toxic substances. These environmental laws provide for significant fines and penalties for noncompliance and liabilities for remediation, sometimes without regard to whether the owner or operator of the property knew of, or was responsible for, the release or presence of hazardous toxic substances. Third parties may also make claims against owners or operators of properties for personal injuries and property damage associated with releases of, or actual or alleged exposure to, such hazardous or toxic substances at, on or from our locations. Environmental conditions relating to releases of hazardous substances at prior, existing or future locations could materially adversely affect our business, financial condition or results of operations. Further, environmental laws, and the administration, interpretation and enforcement thereof, are subject to change and may become more stringent in the future, each of which could materially adversely affect our business, financial condition or results of operations.

To the extent that governmental regulations impose new or additional obligations on our suppliers, including, without limitation, regulations relating to the inspection or preparation of meat, food and other products used in our business, product availability could be limited and the prices that our suppliers charge us could increase. We may not be able to offset these costs through increased menu prices, which could have a material adverse effect on our business. If any of our restaurants were unable to serve particular food products, even for a short period of time, or if we are unable to offset increased costs, our business and results of operations could be adversely affected.

We could face labor shortages that could slow our growth and adversely impact our ability to operate our locations.

Our success depends in part upon our ability to attract, motivate and retain a sufficient number of qualified employees, including managers, kitchen staff and servers, necessary to keep pace with our anticipated expansion schedule and meet the needs of our existing locations. A sufficient number of qualified individuals of the requisite caliber to fill these positions may be in short supply in some communities. Competition in these communities for qualified staff could require us to pay higher wages and provide greater benefits. Any inability to recruit and retain qualified individuals may also delay the planned openings of new restaurants and could adversely impact our existing locations. Any such inability to retain or recruit qualified employees, increased costs of attracting qualified employees or delays in location openings could adversely affect our business and results of operations.

Changes to minimum wage laws could increase our labor costs substantially.

Under the minimum wage laws in most jurisdictions, we are permitted to pay certain hourly employees a wage that is less than the base minimum wage for general employees because these employees receive tips as a substantial part of their income. As of December 31, 2013, approximately 30% of our employees earn this lower minimum wage in their respective locations since tips constitute a substantial part of their income. If cities, states or the federal government change their laws to require all employees to be paid the general employee minimum base wage regardless of supplemental tip income, our labor costs would increase substantially. In addition, President Obama has called for an increase in the federal minimum wage to at least $9.00 per hour, which, if passed into law, would increase our costs. Certain states in which we operate restaurants have adopted or are considering adopting minimum wage statutes that exceed the federal minimum wage as well. We may be unable or unwilling to increase our prices in order to pass these increased labor costs on to our customers, in which case, our business and results of operations could be adversely affected.

We occupy most of our restaurants and some of our food and beverage hospitality services locations under long-term non-cancelable leases under which we may remain obligated to perform even if we close those operations, and we may be unable to renew leases at the end of their terms.

Most of our restaurants and some of our food and beverage hospitality operations are located in premises that we lease (while others are located in premises owned or leased by third parties). Many of our current leases are non-cancelable and typically have terms ranging from 10 to 15 years with renewal options for terms ranging from 5 to 10 years. We believe that leases that we enter into in the future will be on substantially similar terms. If we were to close or fail to open a restaurant or other venue at a location we lease, we would generally remain committed to perform our obligations under the applicable lease, which could include, among other things, payment of the base rent for the balance of the lease term. Our obligation to continue making rental payments and fulfilling other lease obligations in respect of leases for closed or unopened restaurants could have a material adverse effect on our business and results of operations. Alternatively, at the end of the lease term and any renewal period for a restaurant, we may be unable to renew the lease without substantial additional cost, if at all. If we cannot renew such a lease we may be forced to close or relocate a restaurant, which could subject us to construction and other costs and risks.

Fixed rental payments and/or minimum percentage rent payments account for a significant portion of our operating expenses, which increases our vulnerability to general adverse economic and industry conditions and could limit our operating and financing flexibility.

Fixed payments and/or minimum percentage rent payments under our operating leases and management agreements account for a significant portion of our operating expenses and we expect the new locations we open in the future will contain similar terms. Our substantial operating lease obligations could have significant negative consequences, including:

- increasing our vulnerability to general adverse economic and industry conditions;
- limiting our ability to obtain additional financing;
- requiring a substantial portion of our available cash flow to be applied to our rental obligations, thus reducing cash available for other purposes;
- limiting our flexibility in planning for or reacting to changes in our business or the industry in which we compete; and
- placing us at a disadvantage with respect to some of our competitors.

We depend on cash flow from operations to pay our obligations and to fulfill our other cash needs. If our business does not generate sufficient cash flow from operating activities and sufficient funds are not otherwise available to us from borrowings under our credit facility or other sources, we may not be able to meet our operating lease and management agreement obligations, grow our business, respond to competitive challenges or fund our other liquidity and capital needs, which could adversely affect our business and results of operations.

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The impact of negative economic factors, including the availability of credit, on our landlords or the hotels, resorts or casinos in which some of our restaurants and food and beverage hospitality services operations are located, could negatively affect our financial results.

Negative effects on our existing and potential landlords due to the inaccessibility of credit and other unfavorable economic factors may, in turn, adversely affect our business and results of operations. If our landlords are unable to obtain financing or remain in good standing under their existing financing arrangements, they may be unable to provide construction contributions or satisfy other lease covenants to us. If any landlord files for bankruptcy protection, the landlord may be able to reject our lease in the bankruptcy proceedings. While we would under some circumstances have the option to retain our rights under the lease, we could not compel the landlord to perform any of its obligations and would be left with damages (which are subject to collectability risk) as our sole recourse. In addition, if the sites within which our co-located restaurants and food and beverage hospitality services operations are located are unable to obtain sufficient credit to continue to properly manage their sites, we may experience a drop in the level of quality of such sites. Our development of new locations may also be adversely affected by the negative financial situations of potential developers, landlords and host sites. Such parties may delay or cancel development projects or renovations of existing projects due to the instability in the credit markets and recent declines in consumer spending. This could reduce the number of high-quality locations available that we would consider for our new operations or cause the quality of the sites in which the restaurants and food and beverage hospitality services operations are located to deteriorate. Any of these developments could have an adverse effect on our existing businesses or cause us to curtail new projects.

Our current credit facility requires that we comply with certain affirmative and negative covenants and provides for a pledge of all of our assets to secure our obligations. Failure to comply with the terms of the credit agreement could result in a negative adverse impact on our ability to maintain or expand our business.

We are party to a credit agreement dated as of October 31, 2011, as amended (the “Credit Agreement”) with BankUnited (formerly Herald National Bank). The Credit Agreement contains a number of significant restrictive covenants that generally limit our ability to, among other things:

•incur additional indebtedness;

•issue guarantees;

•make investments;

•use assets as security in other transactions or create any other liens;

•sell assets or merge with or into other companies;

•make capital expenditures in excess of specified amounts;

•enter into transactions with affiliates;

•sell equity or other ownership interests in our subsidiaries; and

•create or permit restrictions on our subsidiaries' ability to make payments to us.

Our Credit Agreement limits our ability to engage in these types of transactions even if we believed that a specific transaction would contribute to our future growth or improve our operating results. Our Credit Agreement also requires us to achieve specified financial and operating results and maintain compliance with specified financial ratios. To date, we have either been in compliance with these tests or such compliance has been waived by our lender. On September 13, 2013, BankUnited provided us with a waiver of noncompliance with certain terms in the Credit Agreement, including the delayed filing of audited financial statements for the year ended December 31, 2012, the minimum tangible net worth covenant of not less than $15.0 million with respect to One Group and its subsidiaries (and $9 million with respect to One Group and several of its subsidiaries that were the borrowers under the Credit Agreement) as of the periods ended December 31, 2012, March 31, 2013 and June 30, 2013, and the increase to the key man life insurance policy from $3 million to $5 million. In addition, on November 7, 2013, BankUnited provided us with a waiver of noncompliance with the minimum tangible net worth covenant of not less than $15.0 million with respect to One Group and its subsidiaries (and $9 million with respect to One Group and several of its subsidiaries that were the borrowers under the Credit Agreement) as of the quarter ended September 30, 2013. Our tangible net worth as calculated pursuant to the Credit Agreement was $6,254,123, $6,695,103, $5,189,908 and $2,816,615 as of the periods ended December 31, 2012, March 31, 2013, June 30, 2013 and September 30, 2013, respectively. Following the consummation of the Merger, we were and are currently in compliance with the tangible net worth covenants. There can be no assurance that we will continue to receive waivers from the lender under our credit facility for any future defaults. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Credit Agreement." Our ability to comply with these provisions may be affected by events beyond our control. A breach of any of these provisions or our inability to comply with required financial ratios in our Credit Agreement could result in a default under the Credit Agreement in which case the lenders will have the right to declare all borrowings to be immediately due and payable. If we are unable to repay all borrowings when due, whether at maturity or if declared due and payable following a default, the lenders would have the right to proceed against the collateral granted to secure the indebtedness which consists of substantially all of our assets. If we breach these covenants or fail to comply with the terms of the Credit Agreement, and the lenders accelerate the amounts outstanding under the Credit Agreement our business and results of operations would be adversely affected.

Our Credit Agreement carries floating interest rates, thereby exposing us to market risk related to changes in interest rates.

Our Credit Agreement provides for floating rates of interest pegged to market rates, and as a result our interest expense is subject to conditions beyond our control. A substantial increase in interest expense could materially and adversely affect our business and results of operations.

We may be dependent on the availability of additional debt financing to support our operations and growth. Any future indebtedness would increase the Company's exposure, would likely limit our operational and financing flexibility and negatively impact our business.

Our ability to continue to grow will be dependent on our ability to raise additional financing. To the extent that this consists of debt, it will increase our liabilities, require additional cash flow to service such debt and will most likely contain further restrictive covenants limiting our financial and operational flexibility. There can be no assurance that such additional financing will be available on favorable terms or at all. Historically, we have relied upon loans from our President and CEO Jonathan Segal and related entities. There can be no assurance that Jonathan Segal will provide any further loans to us or that unrelated lenders will provide additional financing. We expect that we will depend primarily on cash generated by our operations for funds to pay our expenses and any amounts due under our credit facility and any other indebtedness we may incur. Our ability to make these payments depends on our future performance, which will be affected by financial, business, economic and other factors, many of which we cannot control. Our business may not generate sufficient cash flows from operations in the future and our currently anticipated growth in revenues and cash flows may not be realized, either or both of which could result in our being unable to repay indebtedness or to fund other liquidity needs. If our operations do not generate sufficient cash flow to service our debt, we may be required to refinance all or part of our then existing debt, sell assets or borrow more money, in each case on terms that are not acceptable to us. In addition, the terms of existing or future debt agreements, including our existing credit facility, may restrict us from adopting any of these alternatives. Our ability to recapitalize and incur additional debt in the future could also delay or prevent a change in control of our company, make some transactions more difficult and impose additional financial or other covenants on us. In addition, any significant levels of indebtedness in the future could place us at a competitive disadvantage compared to our competitors that may have proportionately less debt and could make us more vulnerable to economic downturns and adverse developments in our business. Our indebtedness and any inability to pay our debt obligations as they come due or inability to incur additional debt could adversely affect our business and results of operations.

Information technology system failures or breaches of our network security, including with respect to confidential information, could interrupt our operations and adversely affect our business.

We rely on our computer systems and network infrastructure across our operations, including point-of-sale processing at our locations. Our operations depend upon our ability to protect our computer equipment and systems against

damage from physical theft, fire, power loss, telecommunications failure or other catastrophic events, as well as from internal and external security breaches, viruses, worms and other disruptive problems. Any damage or failure of our computer systems or network infrastructure that causes an interruption in our operations could subject us to litigation or actions by regulatory authorities. In addition, the majority of our sales are by credit or debit cards. Other restaurants and retailers have experienced security breaches in which credit and debit card information of their customers has been stolen. If this or another type of breach occurs at one of our locations, we may become subject to lawsuits or other proceedings for purportedly fraudulent transactions arising out of the actual or alleged theft of our customers' credit or debit card information. Although we employ both internal resources and external consultants to conduct auditing and testing for weaknesses in our systems, controls, firewalls and encryption and intend to maintain and upgrade our security technology and operational procedures to prevent such damage, breaches or other disruptive problems, there can be no assurance that these security measures will be successful. Any such claim, proceeding or action by a regulatory authority, or any adverse publicity resulting from these allegations, could adversely affect our business and results of operations.

Jonathan Segal, our Chief Executive Officer, beneficially owns a substantial portion of our Common Stock, he may have conflicts of interest with other stockholders in the future and his significant ownership will limit your ability to influence corporate matters.

Jonathan Segal beneficially owns approximately 35% of our Common Stock. As a result of this concentration of stock ownership, Jonathan Segal, acting on his own, has sufficient voting power to effectively control all matters submitted to our stockholders for approval that do not require a super majority, including director elections and proposed amendments to our bylaws.

In addition, this concentration of ownership may delay or prevent a merger, consolidation or other business combination or change in control of our company and make some transactions that might otherwise give you the opportunity to realize a premium over the then-prevailing market price of our Common Stock more difficult or impossible without the support of Mr. Segal. The interests of Mr. Segal may not always coincide with our interests as a company or the interests of other stockholders. Accordingly, Mr. Segal could cause us to enter into transactions or agreements of which you would not approve or make decisions with which you would disagree. This concentration of ownership may also adversely affect our share price.

Mr. Segal currently owns and will continue to own equity interests, including controlling equity interests, in other restaurant and food and beverage hospitality service companies, some of which compete with our company. Therefore, the interest of Mr. Segal with respect to his ownership or control of such other competing companies may not always coincide with our interests as a company or the interests of other stockholders.

We are a holding company and depend on the cash flow of our subsidiaries.

We are a holding company with no material assets other than the equity interests of our subsidiaries. Our subsidiaries conduct substantially all of our operations and own substantially all of our assets and intellectual property. Consequently, our cash flow and our ability to meet our obligations and pay any future dividends to our stockholders depends upon the cash flow of our subsidiaries and the payment of funds by our subsidiaries directly or indirectly to us in the form of dividends, distributions and other payments. Any inability on the part of our subsidiaries to make payments to us could have a material adverse effect on our business, financial condition and results of operations. The equity interests of our subsidiaries are pledged to BankUnited (formerly Herald National Bank) to secure our obligations under the Credit Agreement. In addition, we guaranteed to BankUnited the obligations of our subsidiaries.

Our controls and procedures may fail or be circumvented.

Although we have certain systems and procedures in place, we are currently in the process of enhancing both our processes and internal control systems by hiring additional accounting and financial reporting staff. Any system of controls, however well-designed and operated, can provide only reasonable, not absolute, assurances that the objectives of the system of controls are met. No independent registered public accounting firm has reviewed or assessed our internal controls over financial reporting. We have a material weakness related to financial reporting. Our material weakness relates to an insufficient number of accounting professionals with the necessary knowledge, experience and training to adequately prepare, record, and review significant complex transactions and valuations (such as revenue recognition, stock based compensation, and earnings per share) and prepare financial statements in accordance with generally accepted accounting principles in a timely manner. As a private company transitioning to a public company, we have not historically maintained the internal accounting and financial reporting resources necessary to comply with the obligations of a public reporting company. We have depended heavily upon the services of our Chief Financial Officer until we hired our Vice President of Financial Reporting in November 2013. However, such individual departed on January 17, 2014 and we are currently seeking her replacement. We intend to address this material weakness through the hiring of such individual and have recently hired a SEC financial reporting consultant and will continue to assess the need to hire additional accounting and financial reporting professionals with the requisite knowledge, experience, and training to prepare, record and review complex transactions and valuations, and prepare financial statements in accordance with generally accepted accounting principles in a timely manner. We cannot assure you that we will remediate this material weakness related to internal control over financial reporting. We may identify additional material weaknesses in our internal control over financial reporting, and may have to expend time and resources to improve our internal controls over financial reporting. If our internal control over financial reporting continues to be ineffective, we may not be able to accurately report our financial results or prevent fraud. Any failure or circumvention of our controls and procedures or failure to comply with regulations related to controls and procedures could have a material and adverse effect on our business, results of operations, and financial condition.

The effect of changes to healthcare laws in the United States may increase the number of employees who choose to participate in our healthcare plans, which may significantly increase our healthcare costs and negatively impact our financial results.

In 2010, the Patient Protection and Affordable Care Act of 2010 (the "PPCA") was signed into law in the United States to require health care coverage for many uninsured individuals and expand coverage to those already insured. We currently offer and subsidize comprehensive healthcare coverage, primarily for our salaried employees. The healthcare reform law will require us to offer healthcare benefits to all full-time employees (including full-time hourly employees) that meet certain minimum requirements of coverage and affordability, or face penalties. If we elect to offer such benefits we may incur substantial additional expense. If we fail to offer such benefits, or the benefits we elect to offer do not meet the applicable requirements, we may incur penalties. The healthcare reform law also requires individuals to obtain coverage or face individual penalties, so employees who are currently eligible but elect not to participate in our healthcare plans may find it more advantageous to do so when such individual mandates take effect. It is also possible that by making changes or failing to make changes in the healthcare plans offered by us we will become less competitive in the market for our labor. Finally, implementing the requirements of healthcare reform is likely to impose additional administrative costs. The costs and other effects of these new healthcare requirements cannot be determined with certainty, but they may significantly increase our healthcare coverage costs and could materially adversely affect our, business, financial condition or results of operations.

We may incur costs resulting from breaches of security of confidential consumer information related to our electronic processing of credit and debit card transactions.

The majority of our sales are by credit or debit cards. Other restaurants and retailers have experienced security breaches in which credit and debit card information has been stolen. We may in the future become subject to claims for purportedly fraudulent transactions arising out of the actual or alleged theft of credit or debit card information, and we may also be subject to lawsuits or other proceedings relating to these types of incidents. Any such claim or proceeding could cause us to incur significant unplanned expenses, which could have an adverse impact on our financial condition and results of operations. Further, adverse publicity resulting from these allegations may have a material adverse effect on us and our restaurants.

We rely heavily on information technology, and any material failure, weakness, interruption or breach of security could prevent us from effectively operating our business.

We rely heavily on information systems, including point-of-sale processing in our locations, for management of our supply chain, payment of obligations, collection of cash, credit and debit card transactions and other processes and procedures. Our ability to efficiently and effectively manage our business depends significantly on the reliability and capacity of these systems. The failure of these systems to operate effectively, maintenance problems, upgrading or transitioning to new platforms, or a breach in security of these systems could result in delays in customer service and

reduce efficiency in our operations. Remediation of such problems could result in significant, unplanned capital investments.

Risks Related to Our Securities

Insiders have substantial control over us, and they could delay or prevent a change in our corporate control even if our other stockholders wanted it to occur.

Our executive officers, directors, and principal stockholders hold a significant percentage of our outstanding Common Stock (with Jonathan Segal alone accounting for approximately 35%). Accordingly, these stockholders are able to control or have a significant impact on all matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions. This could delay or prevent an outside party from acquiring or merging with us even if our other stockholders affirmed such action. In addition, such concentrated control may adversely affect the price of our Common Stock and sales by our insiders or affiliates, along with any other market transactions, could affect the market price of our Common Stock.

Our securities are quoted on the OTCQB, which will limit the liquidity and price of our securities more than if our securities were quoted or listed on the Nasdaq Stock Market or another national exchange.

Our units, Common Stock and warrants are traded in the over-the-counter market and are quoted on the OTCQB not included in the Nasdaq Stock Market or another exchange. Quotation of our securities on the OTCQB will limit the liquidity and price of our securities more than if our securities were quoted or listed on the Nasdaq Stock Market or another national securities exchange. Lack of liquidity will limit the number of shares and the price at which our stockholders may be able to sell our securities or our stockholders' ability to sell our securities at all. There may be significant consequences associated with our Common Stock trading on the OTCQB rather than a national exchange. The effects of not being able to list our Common Stock securities on a national exchange include:

- limited release of the market price of our securities;
- limited news coverage;
- limited interest by investors in our securities;
- volatility of our Common Stock price due to low trading volume;
- increased difficulty in selling our securities in certain states due to "blue sky" restrictions; and
- limited ability to issue additional securities or to secure additional financing.

Because we became a public company by means of a "reverse merger with a shell company," we will also be subject to a one-year "seasoning period" before we will be permitted to list our securities on a securities exchange (subject to certain exceptions).

Prior to the Merger, we were a "shell company" as that term is defined in the SEC's rules and as such additional risks may exist. Companies that become public through a "reverse takeover with a shell company" are not permitted to list their securities on a securities exchange until (i) the company has completed a one-year "seasoning period" by trading in the United States over-the-counter market or on another regulated United States or foreign exchange following the reverse merger, and filed all required reports with the SEC, including audited financial statements, and (ii) the company maintains the requisite minimum share price for a sustained period, and for at least 30 of the 60 trading days, immediately prior to its listing application and the exchange's decision to list. The additional listing requirements would not apply to a reverse merger company's listing application if (i) the listing is in connection with a firm commitment underwritten public offering providing gross proceeds to the company of at least $40 million or (ii) the

reverse merger occurred five or more years before applying to list so that at least four annual reports on Form 10-K with audited historical financial information have been filed by the company with the SEC following the one-year trading period. No assurance can be given that brokerage firms will want to conduct any secondary offerings on behalf of our post-merger company in the future.

Our units and Common Stock may be considered "penny stock."

The SEC has adopted regulations, which generally define "penny stock" to be an equity security that has a market price of less than $5.00 per share, subject to specific exemptions. The market price of our Common Stock may trade at less than $5.00 per share and therefore may be a "penny stock." Brokers and dealers effecting transactions in "penny stock" must disclose certain information concerning the transaction, obtain a written agreement from the purchaser and determine that the purchaser is reasonably suitable to purchase the securities. These rules may restrict the ability of brokers or dealers to sell the Common Stock and may affect your ability to sell shares.

If securities or industry analysts do not publish, or cease publishing, research or reports about us, our business or our market, or if they change their recommendations regarding our stock adversely, our stock price and trading volume could decline.

If a trading market for our Common Stock develops, it will likely be influenced by whether industry or securities analysts publish research and reports about us, our business, our market or our competitors and, if any analysts do publish such reports, what they publish in those reports. We currently have no coverage and may not obtain analyst coverage in the future. Any analysts that do cover us may make adverse recommendations regarding our stock, adversely change their recommendations from time to time, and/or provide more favorable relative recommendations about our competitors. If any analyst who may cover us in the future were to cease coverage of our company or fail to regularly publish reports on us, or if analysts fail to cover us or publish reports about us at all, we could lose, or never gain, visibility in the financial markets, which in turn could cause our stock price or trading volume to decline.

There has been limited trading activity in our Common Stock and there is no assurance that an active market will develop in the future.

There has been limited trading activity in our Common Stock. Further, although our Common Stock is currently quoted on the OTCQB, trading of our Common Stock may be extremely sporadic. For example, several days may pass before any shares may be traded. As a result, an investor may find it difficult to dispose of, or to obtain accurate quotations of the price of our Common Stock. There can be no assurance that a more active market for our Common Stock will develop, or if one should develop, there is no assurance that it will be sustained. This severely limits the liquidity of our Common Stock, and would likely have a material adverse effect on the market price of our Common Stock and on our ability to raise additional capital. The price of our securities may vary significantly due to our reports of operating losses, one or more potential business transactions, the filing of periodic reports with the SEC, and general market and economic conditions. In addition, the price of the securities can vary due to our general business condition. Our stockholders may be unable to sell their securities unless a market can be established and sustained.

In order to raise sufficient funds to expand our operations, we may have to issue additional securities at prices that may result in substantial dilution to our shareholders.

If we raise additional funds through the sale of equity or convertible debt, our current stockholders' percentage ownership will be reduced. In addition, these transactions may dilute the book value of our outstanding securities. We may have to issue securities that have rights, preferences and privileges senior to our Common Stock. We cannot provide assurance that we will be able to raise additional funds on terms acceptable to us, if at all. If future financing is not available or is not available on acceptable terms, we may not be able to fund our future needs, which would have a material adverse effect on our business plans, prospects, results of operations and financial condition.

Our ability to raise capital in the future may be limited.

Our business and operations may consume resources faster than we anticipate. In the future, we may need to raise additional funds through the issuance of new equity securities, debt or a combination of both. Additional financing may not be available on favorable terms, or at all. If adequate funds are not available on acceptable terms, we may be unable to fund our capital requirements. If we issue new debt securities, the debt holders would have rights senior to common stockholders to make claims on our assets, and the terms of any debt could restrict our operations, including our ability to pay dividends on our Common Stock. If we issue additional equity securities, existing stockholders will experience dilution, and the new equity securities could have rights senior to those of our Common Stock. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, our stockholders bear the risk of our future securities offerings reducing the market price of our Common Stock and diluting their interest.

The price of our Common Stock could be subject to volatility related or unrelated to our operations.

If a market for our Common Stock develops, the trading price of our Common Stock could fluctuate substantially due to a number of factors, including market perception of our ability to meet our growth projections and expectations, quarterly operating results of other companies in the same industry, trading volume in our Common Stock, changes in general conditions in the economy and the financial markets or other developments affecting our business and the business of others in our industry. In addition, the stock market itself is subject to extreme price and volume fluctuations. This volatility has had a significant effect on the market price of securities issued by many companies for reasons related and unrelated to their operating performance and could have the same effect on our Common Stock.

We will incur increased costs and demands upon management as a result of complying with the laws and regulations affecting public companies, which could harm our operating results.

As a public company, we will incur significant legal, accounting and other expenses, including costs associated with public company reporting requirements. We will also incur substantial expenses in connection with the preparation and filing of this registration statement required by our registration rights agreement and responding to SEC comments in connection with its review of this registration statement. We will also incur costs associated with current corporate governance requirements, including requirements under Section 404 and other provisions of the Sarbanes-Oxley Act of 2002, as amended, or the Sarbanes-Oxley Act, as well as rules implemented by the SEC or any stock exchange or inter-dealer quotations system on which our Common Stock may be listed in the future. The expenses incurred by public companies for reporting and corporate governance purposes have increased dramatically in recent years. We expect these rules and regulations to substantially increase our legal and financial compliance costs and to make some activities more time-consuming and costly. We are unable to currently estimate these costs with any degree of certainty. We also expect that these new rules and regulations may make it difficult and expensive for us to obtain director and officer liability insurance, and if we are able to obtain such insurance, we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage available to privately-held companies. As a result, it may be more difficult for us to attract and retain qualified individuals to serve on our board of directors or as our executive officers.

If we continue to fail to maintain proper and effective internal controls, our ability to produce accurate and timely financial statements could be impaired, which could harm our operating results, our ability to operate our business and investors’ views of us.

We will be required to comply with Section 404 of the Sarbanes-Oxley Act. Section 404 of the Sarbanes-Oxley Act requires public companies to conduct an annual review and evaluation of their internal controls and to obtain attestations of the effectiveness of internal controls by independent auditors. These requirements are substantially greater than we would have in place as a private company. Ensuring that we have adequate internal financial and accounting controls and procedures in place so that we can produce accurate financial statements on a timely basis is a

costly and time-consuming effort that will need to be evaluated frequently. Our failure to maintain the effectiveness of our internal controls in accordance with the requirements of the Sarbanes-Oxley Act could have a material adverse effect on the tradability of our Common Stock which in turn would negatively impact our business. We could lose investor confidence in the accuracy and completeness of our financial reports, which could have an adverse effect on the price of our Common Stock. In addition, if our efforts to comply with new or changed laws, regulations, and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to practice, regulatory authorities may initiate legal proceedings against us and our business may be harmed.

Applicable regulatory requirements, including those contained in and issued under the Sarbanes-Oxley Act, may make it difficult for us to retain or attract qualified officers and directors, which could adversely affect the management of our business and our ability to obtain or retain listing of our Common Stock.

We may be unable to attract and retain those qualified officers, directors and members of board committees required to provide for effective management because of the rules and regulations that govern publicly held companies, including, but not limited to, certifications by principal executive officers. The enactment of the Sarbanes-Oxley Act has resulted in the issuance of a series of related rules and regulations and the strengthening of existing rules and regulations by the SEC, as well as the adoption of new and more stringent rules by the stock exchanges. The perceived increased personal risk associated with these changes may deter qualified individuals from accepting roles as directors and executive officers.

Further, some of these changes heighten the requirements for board or committee membership, particularly with respect to an individual's independence from the corporation and level of experience in finance and accounting matters. We may have difficulty attracting and retaining directors with the requisite qualifications. If we are unable to attract and retain qualified officers and directors, the management of our business and our ability to obtain or retain listing of our shares of Common Stock on any stock exchange (assuming we elect to seek and are successful in obtaining such listing) could be adversely affected.

Although we are required to use our best efforts to file a registration statement after the completion of the Merger and keep such registration statement covering the issuance of the shares of Common Stock underlying our outstanding warrants effective until the expiration of the warrants, we may not be successful in having such a registration statement declared effective by the SEC, in which case our warrant holders may not be able to exercise their warrants.

Holders of our warrants will only be able to exercise the warrants if we have an effective registration statement covering the shares of Common Stock issuable upon exercise of the warrants and a current prospectus relating to such Common Stock, and such shares of Common Stock are qualified for sale or exempt from qualification under the applicable securities laws of the states in which the various holders of warrants reside. Although we have undertaken in the warrant agreement, and therefore have a contractual obligation, to use our best efforts to maintain an effective registration statement covering the shares of Common Stock issuable upon exercise of the warrants until the expiration of the warrants, and we intend to comply with our undertaking, we may not be able to do so. Factors such as our inability to remain current in our SEC reporting obligations or other material developments concerning our business could present difficulties in maintaining an effective registration statement and a current prospectus. Holders of warrants will not be able to settle their warrants for cash if we fail to have an effective registration statement or a current prospectus available relating to the Common Stock issuable upon exercise of the warrants.

An investor will only be able to exercise a warrant if the issuance of Common Stock upon such exercise has been registered or qualified or is deemed exempt under the securities laws of the state of residence of the holder of the warrants.

No warrants will be exercisable and we will not be obligated to issue shares of Common Stock unless the Common Stock issuable upon such exercise has been registered or qualified or deemed to be exempt under the securities laws of the state of residence of the holder of the warrants. Because the exemptions from qualification in certain states for resales of warrants and for issuances of Common Stock by the issuer upon exercise of a warrant may be different, a warrant may be held by a holder in a state where an exemption is not available for issuance of Common Stock upon an exercise and the holder will be precluded from exercise of the warrant. As a result, the warrants may be deprived of any value, the market for the warrants may be limited and the holders of warrants may not be able to exercise their warrants if the Common Stock issuable upon such exercise is not qualified or exempt from qualification in the jurisdictions in which the holders of the warrants reside.

We may amend the terms of the warrants in a manner that may be adverse to holders with the approval by the holders of a majority of the then outstanding public warrants.

Our warrants will be issued in registered form under a warrant agreement between Continental Stock Transfer & Trust Company, as warrant agent, and us. The warrant agreement provides that the terms of the warrants may be amended without the consent of any holder to extend the exercise period, reduce the exercise price, cure any ambiguity or correct any defective provision, but requires the approval by the holders of at least a majority of the then outstanding public warrants in order to make any change that adversely affects the interests of the registered holders. Accordingly, we may amend the terms of the warrants in an adverse way to a holder if holders of at least a majority of the then outstanding public warrants approve of such amendment. Although our ability to amend the terms of the warrants with the consent of at least a majority of the then outstanding warrants is unlimited, examples of such adverse amendments could be amendments to increase the exercise price of the warrants or decrease the number of shares of our Common Stock purchasable upon exercise of a warrant, among other things.

We have adopted the 2013 Employee, Director and Consultant Equity Incentive Plan pursuant to which we have the ability to issue options and/or restricted stock, which have the potential to dilute stockholder value and cause the price of our Common Stock to decline.

We have established an employee equity incentive plan pursuant to which we may issue options, warrants, restricted stock grants or similar equity linked instrument. Pursuant to that plan, we have granted options to purchase 1,533,156 shares of our common stock and we expect to offer stock options, restricted stock and/or other forms of stock-based compensation to our directors, officers and employees, subject to vesting requirements. If the stock issued upon exercise of options or the restricted stock that we issue are sold into the public market, the market price of our Common Stock may decline. In addition, the availability of shares of Common Stock for award under our equity incentive plan, or the grant of stock options, restricted stock or other forms of stock-based compensation, may adversely affect the market price of our Common Stock.

We have agreed to file this registration statement with the SEC registering the 3,131,339 shares of Common Stock that were issued in connection with our October 2013 Private Placement and 4,112,511 shares of Common Stock that were issued in the Merger. If we are successful in having the SEC declare this registration statement effective, the availability of those shares for sale in the public markets may have a depressive effect on the market price of our Common Stock.

There can be no assurance that we will be successful in having this registration statement declared effective by the SEC in respect of the shares of Common Stock issued in the October 2013 Private Placement and the Merger, but if we are, the availability of those shares for sale may create an "overhang" on any market that develops for our shares, thereby depressing the market price.

The shares of Common Stock issued in the Merger are "restricted securities" and, as such, may not be sold except in limited circumstances

None of the shares of Common Stock issued in the Merger have been registered under the Securities Act of 1933, as amended, or the Securities Act, or registered or qualified under any state securities laws. The shares of Common Stock issued in the Merger were sold and/or issued pursuant to exemptions contained in and under those laws. Accordingly, such shares of Common Stock are "restricted securities" as defined in Rule 144 under the Securities Act and must, therefore, be held indefinitely unless registered under applicable federal and state securities laws, or an exemption is available from the registration requirements of those laws. The certificates representing the shares of Common Stock issued in the Merger reflect their restricted status.

We have agreed, at our expense, to prepare this registration statement, and to cause our company to file this registration statement with the SEC registering the resale of certain of the shares of our Common Stock issued in connection with the Merger, as well as all of the shares of Common Stock sold in the October 2013 Private Placement. If this registration statement is not filed within 30 days of the closing date of the October 2013 Private Placement or is not declared effective by the SEC by a date that is the earlier of: (i) the 90th calendar day following the closing date of the October 2013 Private Placement, or if the SEC reviews and issues comments on the registration statement then such date shall be the 120th calendar day following the closing date of the October 2013 Private Placement, and (ii) the fifth (5th) trading day following the date on which we are notified by the SEC that the registration statement will not be reviewed or is no longer subject to further review and comments and the effectiveness of the registration statement may be accelerated, then we may be subject to the payment of certain liquidated damages to only the holders of the shares issued in the October 2013 Private Placement in the amount equal to 0.5% of the aggregate purchase price paid pursuant to the registration rights agreement we entered into with the holders of the shares of our Common Stock issued in connection with the Merger and the October 2013 Private Placement. There are many reasons, including some over which we have little or no control, which could keep this registration statement from being declared effective by the SEC, including delays resulting from the SEC review process and comments raised by the SEC during that process. Accordingly, in the event that this registration statement is not declared effective within these timeframes, the shares of Common Stock proposed to be covered by such registration statement will not be eligible for resale until the registration statement is effective or an exemption from registration, such as Rule 144, becomes available. If we are unable to register in a timely manner the shares of Common Stock issued to investors in the Merger, then the ability to resell shares of our Common Stock so issued will be delayed.

Rule 144 may not be available for public resales of our securities.

Rule 144 under the Securities Act, which permits the resale, subject to various terms and conditions, of limited amounts of restricted securities after they have been held for six months will not immediately apply to our Common Stock because we were at one time designated as a "shell company" under SEC regulations. Pursuant to Rule 144(i), securities issued by a current or former shell company that otherwise meet the holding period and other requirements of Rule 144 nevertheless cannot be sold in reliance on Rule 144 until one year after the date on which the issuer filed current "Form 10 information" (as defined in Rule 144(i)) with the SEC reflecting that it ceased being a shell company, and provided that at the time of a proposed sale pursuant to Rule 144, the issuer has satisfied certain reporting requirements under the Exchange Act. We believe this requirement to file Form 10 information has been satisfied by the filing of our Current Report on Form 8-K dated October 16, 2013, as amended on November 6, 2013, November 14, 2013, November 27, 2013, December 19, 2013 and January 17, 2014. Because, as a former shell company, the reporting requirements of Rule 144(i) will apply regardless of holding period, the restrictive legends on certificates for the shares of Common Stock issued in the Merger cannot be removed except in connection with an actual sale that is subject to an effective registration statement under, or an applicable exemption from the registration requirements of, the Securities Act. The absence of a Rule 144 exemption for resales of our Common Stock would materially reduce the ability to sell such shares.

The resale of shares covered by this registration statement could adversely affect the market price of our Common Stock in the public market, which result would in turn negatively affect our ability to raise additional equity capital.

The sale, or availability for sale, of our Common Stock in the public market may adversely affect the prevailing market price of our Common Stock and may impair our ability to raise additional capital by selling equity or equity-linked securities. We have agreed, at our expense, to prepare this registration statement, and to cause our company to file this registration statement with the SEC registering the resale of certain shares of our Common Stock issued in connection with the Merger, as well as all of the shares of Common Stock sold in the October 2013 Private Placement. Once effective, the registration statement will permit the resale of these shares at any time. The resale of a substantial number of shares of our Common Stock in the public market could adversely affect the market price for our Common Stock and make it more difficult for you to sell shares of our Common Stock at times and prices that you feel are appropriate. Furthermore, we expect that, because there will be a large number of shares registered pursuant to this registration statement, selling stockholders will continue to offer shares covered by such registration statement for a significant period of time, the precise duration of which cannot be predicted. Accordingly, the adverse market and price pressures resulting from an offering pursuant to this registration statement may continue for an extended period of time and continued negative pressure on the market price of our Common Stock could have a material adverse effect on our ability to raise additional equity capital.

We do not anticipate paying cash dividends, and accordingly, stockholders must rely on stock appreciation for any return on their investment.

We have never declared or paid any cash dividend on our stock and do not currently intend to do so for the foreseeable future. We currently anticipate that we will retain future earnings for the development, operation and expansion of our business and do not anticipate declaring or paying any cash dividends for the foreseeable future. Therefore, the success of an investment in shares of our Common Stock will depend upon any future appreciation in their value. There is no guarantee that shares of our Common Stock will appreciate in value or even maintain the price at which our stockholders have purchased their shares.

Provisions in our amended and restated certificate of incorporation and bylaws and Delaware law may inhibit a takeover of us, which could limit the price investors might be willing to pay in the future for our Common Stock and could entrench management.

Our amended and restated certificate of incorporation and bylaws contain provisions that may discourage unsolicited takeover proposals that stockholders may consider to be in their best interests. Our board of directors is divided into three classes, each of which will generally serve for a term of three years with only one class of directors being elected in each year. As a result, at a given annual meeting only a minority of the board of directors may be considered for election. Since our staggered board of directors may prevent our stockholders from replacing a majority of our board of directors at any given annual meeting, it may entrench management and discourage unsolicited stockholder proposals that may be in the best interests of stockholders. Moreover, our board of directors has the ability to designate the terms of and issue new series of preferred stock without stockholder approval.

We are also subject to anti-takeover provisions under Delaware law, which could delay or prevent a change of control. Together, these provisions may make more difficult the removal of management and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our securities.

Our Certificate of Incorporation entitles us to issue "blank check" preferred stock without stockholder approval. Such preferred stock would have terms and conditions more favorable to its holders that are enjoyed by the holders of Common Stock.

Under the terms of our Certificate of Incorporation, our board of directors may authorize and issue up to 10,000,000 shares of one or more series or class of preferred stock with rights superior to those of holders of Common Stock in terms of liquidation and dividend preference, voting and other rights. The issuance of preferred stock would reduce the relative rights of holders of Common Stock vis-à-vis the holders of preferred stock without the approval of the holders of Common Stock. In addition, to the extent that such preferred stock is convertible into shares of Common Stock, its issuance would result in a dilution of the percentage ownership of holders of Common Stock on a fully diluted basis. In addition, the issuance of a series of preferred stock could be used as a method of discouraging, delaying or preventing a change in control of our company.

Our due diligence may not have revealed all materials issues that may be present in the business of One Group.

Although we conducted due diligence on One Group, we cannot assure you that this diligence revealed all material issues that may be present in One Group's business, that it would be possible to uncover all material issues through a customary amount of due diligence, or that factors outside of our or One Group's control will not later arise. As a result, we may be forced to later write-down or write-off assets, restructure the operations of One Group, or incur impairment or other charges that could result in losses. In addition, unexpected risks may arise and previously known risks may materialize in a manner not consistent with our preliminary risk analysis. Even though these charges may be non-cash items and not have an immediate impact on our liquidity, the fact that we report charges of this nature could contribute to negative market perceptions about us or our securities. In addition, charges of this nature may cause us to be unable to obtain future financing on favorable terms or at all.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements that reflect our expectations and projections about our future results, performance, prospects and opportunities. These statements can be identified by the fact that they do not relate strictly to historical or current facts. We have tried to identify forward-looking statements by using words such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “project,” “potential,” “should,” “will,” “will b similar expressions, but this is not an exclusive way of identifying such statements. Our actual results, performance and achievements may differ materially from those expressed in, or implied by, the forward-looking statements contained in this prospectus as a result of various risks, uncertainties and other factors, including those described above under the heading “Risk Factors” and elsewhere in this prospectus.

Forward-looking statements speak only as of the date of this prospectus. Except as expressly required under federal securities laws and the rules and regulations of the SEC, we do not undertake any obligation to update any forward-looking statements to reflect events or circumstances arising after the date of this prospectus, whether as a result of new information or future events or otherwise. You should not place undue reliance on the forward-looking statements included in this prospectus or that may be made elsewhere from time to time by us, or on our behalf. All forward-looking statements attributable to us are expressly qualified by these cautionary statements.

USE OF PROCEEDS

This prospectus relates to the offer and sale of shares of our common stock by the selling stockholders listed under “Selling Stockholders.” We will not receive any proceeds from any sale of the shares in this offering.

MARKET PRICE OF OUR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

Our Common Stock, warrants, and units are each traded on the OTC Markets OTCQB tier under the symbols STKS, STKSW and STKSU, respectively. Our units commenced public trading on October 25, 2011, and our Common Stock and warrants commenced public trading on November 9, 2011. From October 25, 2011 until October 23, 2013, our Common Stock, warrants, and units each traded on the OTC Bulletin Board and OTCQB under the symbols CCAC, CCACW and CCACU, respectively. Our Common Stock, warrants, and units have each traded on the OTCQB under the symbols STKS, STKSW and STKSU, respectively, since October 23, 2013. The following table includes the high and low bids for our units, Common Stock and warrants for the calendar quarter indicated:

	2013 **Units**		**Common Stock**		**Warrants**	
	High	**Low**	**High**	**Low**	**High**	**Low**
First Quarter	$ 4.99	$ 4.75	(4)	(4)	(4)	(4)
Second Quarter	(5)	(5)	(5)	(5)	(5)	(5)
Third Quarter	(5)	(5)	(5)	(5)	(5)	(5)
Fourth Quarter	$ 7.90	$ 4.85	$ 5.95	$ 5.125	$ 1.35	$ 0.325
	2012 **Units**		**Common Stock**		**Warrants**	
	High	**Low**	**High**	**Low**	**High**	**Low**
First Quarter	$ 5.00	$ 5.00	(3)	(3)	(3)	(3)
Second Quarter	$ 5.00	$ 4.02	(3)	(3)	(3)	(3)
Third Quarter	$ 4.25	$ 4.25	(3)	(3)	(3)	(3)
Fourth Quarter	$ 5.10	$ 3.75	(3)	(3)	(3)	(3)
	2011 Units		Common Stock		Warrants	
	High	Low	High	Low	High	Low
First Quarter	-	-	-	-	-	-
Second Quarter	-	-	-	-	-	-
Third Quarter	-	-	-	-	-	-
Fourth Quarter(1)	$ 5.10	$ 5.00	(2)	(2)	(2)	(2)

(1) Our units were quoted on the OTCBB and OTCQB on October 25, 2011 and, therefore, the bid prices for our units for the fourth quarter of 2011 are for the period from October 25, 2011 to December 31, 2011.

(2) Our Common Stock and warrants were quoted on the OTCBB and OTCQB on November 9, 2011, however, neither security traded during the period of November 9, 2011 to December 31, 2011, therefore, pricing information is unavailable.

(3) Our Common Stock and warrants did not trade during the period January 1, 2012 to December 31, 2012, therefore, pricing information is unavailable.

(4) Our Common Stock and warrants did not trade during the period January 1, 2013 to March 31, 2013, therefore, pricing information is unavailable.

(5) Our units, Common Stock and warrants did not trade during the period April 1, 2013 to September 30, 2013, therefore, pricing information is unavailable.

Holders

As of January 28, 2014, there were 93 holders of record of our Common Stock, one holder of record of our warrants and one holder of record of our units.

Dividends

Although we have previously made distributions to our LLC members, we have not declared or paid any cash dividends on our Common Stock and do not intend to declare or pay any cash dividend in the foreseeable future. The payment of dividends, if any, is within the discretion of the board of directors and will depend on our earnings, if any, our capital requirements and financial condition and such other factors as the board of directors may consider.

Securities Authorized for Issuance under Equity Compensation Plans

Upon consummation of the Merger, the Company adopted the 2013 Employee, Director and Consultant Equity Incentive Plan (the “2013 Plan”). The following table sets forth information as of December 31, 2013 with respect to compensation plans under which equity securities of the Company are authorized for issuance. For a description of the terms of the 2013 Plan, please see “Executive Compensation - 2013 Employee, Director and Consultant Equity Incentive Plan.”

Plan Category

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)
Equity compensation plans approved by security holders	--	--	--
Equity compensation plans not approved by security holders	1,533,156	$ 5.00	3,869,751

Issuer Purchases of Equity Securities

None.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our consolidated financial condition and results of operations for the three and nine months ended September 30, 2013 and September 30, 2012 and for the fiscal years ended December 31, 2012, December 31, 2011 and December 31, 2010 should be read in conjunction with "Selected Consolidated Financial Data" and the consolidated financial statements and related notes to those statements included elsewhere in this prospectus. One Group acts as a holding company for multiple subsidiaries of which we own varying ownership percentages. We report on an as consolidated basis and reflect noncontrolling interest in the "net loss attributable to noncontrolling interest" account. Some of the information contained in this discussion and analysis or set forth elsewhere in this prospectus, including information with respect to our plans and strategies for our business, includes forward-looking statements that involve risks and uncertainties. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts and generally contain words such as "believes," expects," "may," "will," "should," "seeks," "approximately," "intends," "plans," "estimates," or "anticipates" or similar expressions. Our forward-looking statements are subject to risks and uncertainties, which may cause actual results to differ materially from those projected or implied by the forward-looking statement. Forward-looking statements are based on current expectations and assumptions and currently available data and are neither predictions nor guarantees of future events or performance. You should not place undue reliance on forward-looking statements, which speak only as of the date hereof. See "Risk Factors" and "Forward-Looking Statements" for a discussion of factors that could cause our actual results to differ from those expressed or implied by forward-looking statements.

Overview

We are a hospitality company that develops and operates upscale, high-energy restaurants and lounges and provides turn-key food and beverage services for hospitality venues including boutique hotels, casinos and other high-end locations in the United States and the United Kingdom. We opened our first restaurant in January 2004 in New York City and as of September 30, 2013, we owned and operated 10 and managed 9 restaurants and lounges throughout the United States and London. Our primary restaurant brand is STK, a steakhouse concept that features a high-energy, fun environment that encourages social interaction. We currently operate six STK restaurants in major metropolitan cities in the United States and London, and we have two additional restaurants that we anticipate will open during the first quarter of 2014 in Miami and Washington, D.C. In 2012, the average unit volume, check and beverage mix for STK restaurants that have been open a full twelve months were $11.1 million, $113 and 42%, respectively.

In addition to operating stand-alone restaurants, we also operate turn-key food and beverage services at high-end boutique hotels and casinos, which, in some cases, include upscale restaurants, such as STK. Our diversified portfolio of differentiated, high-energy food and beverage hospitality solutions provides landlords and owners a choice of having one or several of our concepts and/or services in their venues. These locations are operated under our management agreements under which we earn a management fee based on revenue and an incentive fee based on profitability of the underlying operations. We typically target food and beverage hospitality opportunities where we

believe we can generate $500,000 to $750,000 of pre-tax income exclusive of any related STK revenues or profits. We also own or manage a small number of other standalone restaurants and lounges.

Net losses for the year ended December 31, 2012 and the nine month period ended September 30, 2013 were $2.8 million and $2.7 million, respectively, and included loss from discontinued operations of $10.0 million and $5.2 million for the year ended December 31, 2012 and the nine month period ended September 30, 2013, respectively. The loss from discontinued operations reflects our exiting of non-strategic and underperforming units during these periods and includes the closing of the Bagatelle unit in Las Vegas during 2013 as well as the proposed termination of the management agreement with The Palms Hotel in Las Vegas for the Heraea concept and the proposed termination of the lease with The Palms Hotel in Las Vegas for the Xishi concept. In addition, we closed the ONE concept in Atlantic City in 2012 and a kiosk in New York City which featured burgers and shakes in 2013.

Our Growth Strategies and Outlook

Our growth model is comprised of the following four primary drivers:

Expansion of STK. We have identified over 50 additional major metropolitan markets globally where we could grow our STK brand. We expect to open two to three STKs annually in the next three years and to target approximately 25% annual unit growth thereafter. We believe our pipeline of planned new openings support these targets. We believe that the completion of the Merger will enable us to opportunistically invest more of our own capital in projects in order to capture a greater proportion of the economic returns. However, there can be no assurance that we will be able to open new STKs at the rate we currently expect or that our pipeline of planned offerings will be fully realized.

See "Business—Site Selection and Development" for a discussion of our targeted average cash investment for STKs and other information regarding the opening of a new location.

Expansion Through New Food & Beverage Hospitality Projects. We believe we are well positioned to leverage the strength of our brands and the relationships we have developed with global hospitality providers to drive the continued growth of our food and beverage hospitality projects, which traditionally have provided fee income with minimal capital expenditures. We continue to receive significant inbound inquiries regarding new services in new hospitality opportunities globally and to work with existing hospitality clients to identify and develop additional opportunities in their venues. Going forward, we expect to target at least one new F&B hospitality project every 12 to 18 months.

Expand Our Non-STK Concepts and Services. We believe our existing restaurant concepts and food and beverage hospitality services have significant room to grow and that our presence, brand recognition and operating performance from our continuing operations provide us with the ability to expand these concepts in the North American and international markets, with near term focus on Europe and in the longer term, Asia and the Middle East.

Increase Our Operating Efficiency. In addition to expanding into new cities and hospitality venues, we intend to increase revenue and profits in our existing operations, and we believe that, following the Merger, we have more capital and resources available to allocate towards operational initiatives. We expect to grow same store sales by approximately 1% annually as a result of our renewed focus on this aspect of our growth plan. We also expect operating margin improvements as our restaurants and services mature. Furthermore, as our footprint continues to increase in scale, we expect to benefit by leveraging system-wide operating efficiencies and best practices.

Key Performance Indicators

We use the following key performance indicators in evaluating our restaurants and assessing our business:

Number of Restaurant Openings. Number of restaurant openings reflects the number of restaurants opened during a particular fiscal period. For each restaurant opening, we incur pre-opening costs, which are defined below. Typically, new restaurants open with an initial start-up period of higher than normalized sales volumes, which decrease to a steady level approximately 18 months after opening. However, operating costs during this initial 18 month period are also higher than normal, resulting in restaurant operating margins that are generally lower during the start-up period of operation and increase to a steady level approximately 18 months after opening.

Average Check. Average check is calculated by dividing total restaurant sales by total entrees sold for a given time period. Our management team uses this indicator to analyze trends in customers' preferences, effectiveness of menu changes and price increases, and per customer expenditures.

Average Unit Volume . Average unit volume consists of the average sales of our comparable restaurants over a certain period of time. This measure is calculated by dividing total comparable restaurant sales in a given period by the total number of comparable restaurants in that period. This indicator assists management in measuring changes in customer traffic, pricing and development of our brand.

Comparable Unit Sales. We consider a unit to be comparable, whether owned or managed, in the first full quarter following the 18th month of operations to remove the impact of new unit openings in comparing the operations of existing units. Changes in comparable unit sales reflect changes in sales for the comparable group of units over a specified period of time. Changes in comparable sales reflect changes in customer count trends as well as changes in average check. Our comparable unit base consisted of four and six units for the nine months ended September 30, 2013 and September 30, 2012, respectively.

Key Financial Terms and Metrics

We evaluate our business using a variety of key financial measures:

Revenues

Owned unit net revenues . Owned unit net revenues, which includes STKs and certain other brands, consists of food, beverage, and miscellaneous merchandise sales by company-owned units net of any discounts, such as management and employee meals, associated with each sale. In 2012, beverage sales comprised 50% of food and beverage sales, before giving effect to any discounts, with food comprising the remaining 50%. This indicator assists management in understanding the trends in gross margins of the units.

Management and incentive fee revenue. Management and incentive fee revenue includes: (1) management fees received pursuant to management agreements with hospitality clients that are calculated based on a fixed percentage of revenues; and (2) incentive fees based on operating profitability, as defined by each agreement. We evaluate the performance of our managed properties based on sales growth, which drives our management fee, and on improvements in operating profitability margins, which along with sales growth, drives incentive fee growth.

Our primary restaurant brand is STK and we specifically look at comparable revenues from both owned and managed STKs in order to understand customer count trends and changes in average check as it relates to our primary restaurant brand.

Cost and expenses

Food and beverage costs. Food and beverage costs include all unit-level food and beverage costs of company-owned units. We measure cost of goods as a percentage of owned unit net revenues. Food and beverage costs are generally influenced by the cost of food and beverage items, menu mix and discounting activity.

Unit operating expenses. We measure unit operating expenses for company-owned units as a percentage of owned unit net revenues. Unit operating expenses include the following:

Payroll and related expenses, consisting of manager salaries, hourly staff payroll and other payroll-related items, including taxes and fringe benefits. We measure our labor cost efficiency by tracking total labor costs as a percentage of food and beverage revenues.

Occupancy, which comprises all occupancy costs, consisting of both fixed and variable portions of rent, deferred rent expense, which is a non-cash adjustment included in our Adjusted EBITDA calculation as defined below, common area maintenance charges, real estate property taxes, utilities and other related occupancy costs and is measured by tracking occupancy as a percentage of revenues.

Direct operating expenses, consisting of supplies, such as paper, small wares, china, silverware and glassware, cleaning supplies and laundry and linen costs and typically tracks revenues.

Outside services, which includes music and entertainment costs, such as the use of live DJ's, promoter costs, security services and commissions paid to event staff for banquet sales.

Repairs and maintenance, consisting of facility and computer maintenance contracts as well as general repair work to maintain the facilities. These costs will typically increase as the facility gets older .

Marketing, which includes the cost of goods used specifically for complimentary purposes as well as general public relation costs related to the specific unit, but excluding any discounts such as management and employee meals. Marketing costs will typically be higher during the first eighteen months of a unit's operations.

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General and administrative, net. General and administrative expenses are comprised of all corporate overhead expenses, including payroll and related benefits, professional fees, such as legal and accounting fees, insurance and travel expenses. Certain general and administrative expenses are allocated specifically to units and are credited and include shared services such as reservations, events and marketing. General and administrative expenses are expected to grow as we grow, including legal, accounting and other professional fees incurred as a public company.

Depreciation and amortization. Depreciation and amortization consists principally of charges related to the depreciation of fixed assets including leasehold improvements, equipment and furniture and fixtures. As we accelerate our restaurant openings, depreciation and amortization is expected to increase as a result of our increased capital expenditures.

Management and royalty fees. In certain of our units, we pay outside third parties a management fee based on a percentage of sales or a fixed fee. Historically, a majority of management fees related to one property, Tenjune, and related to the use of an outside management company to operate this lounge concept. This management agreement was terminated in February 2013. Royalty fees are paid to the 50% owner of the trademark rights to the name “Asellina” and “Cucina Asellina”.

Pre-opening expenses. Pre-opening expenses consist of costs incurred prior to opening an owned or managed unit which are comprised principally of manager salaries and relocation costs, employee payroll and related training costs for new employees and lease costs incurred prior to opening. We expect these costs to increase as we accelerate our company-owned restaurant openings, which may have a material impact on our operating results in future periods.

Equity in (income) loss of subsidiaries. This represents the income or loss that we record under the equity method for entities that are not consolidated. Included in this amount is our ownership in Bagatelle New York for which we have effective ownership of approximately 51% representing 5.23% ownership directly by us and 45.77% ownership through two of our subsidiaries.

Adjustments for noncontrolling interest. This represents the allocation of net income or loss attributable to the minority interest in those of our subsidiaries which are not wholly-owned.

EBITDA and Adjusted EBITDA. We define EBITDA as net income before interest expense, provision for income taxes and depreciation and amortization. We define Adjusted EBITDA as net income before interest expense, provision for income taxes, depreciation and amortization, non-cash impairment loss, deferred rent, pre-opening expenses, non-recurring gains and losses and losses from discontinued operations. EBITDA and Adjusted EBITDA have been presented in this prospectus and are supplemental measures of financial performance that is not required by, or presented in accordance with, GAAP.

We believe that EBITDA and Adjusted EBITDA are more appropriate measures of operating performance, as they provide a clearer picture of our operating results by eliminating certain non-cash expenses that are not reflective of the underlying business performance. We use these metrics to facilitate a comparison of our operating performance on a consistent basis from period to period and to analyze the factors and trends affecting our business as well as evaluate the performance of our units. Adjusted EBITDA has limitations as an analytical tool and our calculation thereof may not be comparable to that reported by other companies; accordingly, you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. Adjusted EBITDA is included in this Prospectus because it is a key metric used by management. Additionally, Adjusted EBITDA is frequently used by analysts, investors and other interested parties to evaluate companies in our industry. We use Adjusted EBITDA, alongside other GAAP measures such as net income (loss), to measure profitability, as a key profitability target in our annual and other budgets, and to compare our performance against that of peer companies. We believe that Adjusted EBITDA provides useful information facilitating operating performance comparisons from period to period and company to company.

The following table presents a reconciliation of Net income to EBITDA and Adjusted EBITDA for the periods indicated:

	For the Nine Months Ended September 30,		For the years Ended December 31,		
	2013	2012	2012	2011 (restated)	2010
Net (loss) income attributable to THE ONE GROUP	$ (2,627,331)	$ 3,175,416	$ (2,346,068)	$ 1,002,973	$ (77,356)
Net (loss) attributable to noncontrolling interest	(69,198)	3,694,414	(446,046)	864,026	798,730
Net (loss) income	(2,696,529)	6,869,830	(2,792,114)	1,866,999	721,374
Interest expense, net of interest income	614,642	401,201	688,564	404,410	466,540
Provision for income taxes	155,538	19,037	13,802	196,233	120,860
Depreciation and amortization	1,329,243	1,525,541	7,363,294	1,742,726	2,504,534
EBITDA	$ (597,106)	$ 8,815,609	$ 5,273,546	$ 4,210,368	$ 3,813,308
Deferred rent [1]	355,928	221,892	(1,427,970)	883,405	228,636
Pre-opening expenses	211,330	126,418	139,541	1,182,387	797,363
Non-recurring gain [2]	-	(5,000,000)	(5,000,000)	-	(200,000)
Loss from discontinued operations	5,163,420	2,437,014	10,024,879	887,681	824,604
Non-recurring transaction costs [3]	1,026,416	-	-	-	-
Adjusted EBITDA	6,159,988	6,600,933	9,009,997	7,163,841	5,463,911
Adjusted EBITDA attributable to noncontrolling interest	1,875,082	2,053,999	2,338,453	2,352,080	2,210,924
Adjusted EBITDA attributable to THE ONE GROUP	$ 4,284,906	$ 4,546,934	$ 6,671,544	$ 4,811,761	$ 3,252,987

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(1) Deferred rent is included in occupancy expense on the statement of income.

(2) Non-recurring gain is included in other income on the statement of income.

(3) Transaction costs incurred relating to the merger and private placement capital raise.

Adjusted Net Income. We define Adjusted Net income as Net income before loss from discontinued operations, non-recurring gains, non-cash impairment losses, and non-recurring acceleration of depreciation. Adjusted Net Income has been presented in this prospectus and is a supplemental measure of financial performance that is not required by, or presented in accordance with, GAAP. Adjusted Net Income has limitations as an analytical tool and our calculation thereof may not be comparable to that reported by other companies; accordingly, you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP.

We believe that Adjusted Net Income provides a clearer picture of our operating results by eliminating certain non-cash expenses that are not reflective of the underlying business performance. We use this metric to facilitate a comparison of our operating performance on a consistent basis from period to period and to analyze the factors and trends affecting our business.

The following table presents a reconciliation of Net income to Adjusted Net income for the periods indicated:

	For the Nine Months Ended September 30,		For the years Ended December 31,		
	2013	2012	2012	2011 (restated)	2010
Net (loss) income attributable to THE ONE GROUP	$ (2,627,331)	$ 3,175,416	$ (2,346,068)	$ 1,002,973	$ (77,356)
Net (loss) attributable to noncontrolling interest	(69,198)	3,694,414	(446,046)	864,026	798,730
Net (loss) income	$ (2,696,529)	$ 6,869,830	$ (2,792,114)	$ 1,866,999	$ 721,374
Non-recurring gain [(1)]	-	(5,000,000)	(5,000,000)	-	(200,000)
Non-recurring acceleration of depreciation	-	-	5,233,450	-	-
Loss from discontinued operations, net of taxes	5,163,420	2,437,014	10,024,879	887,681	824,604
Non-recurring transaction costs [(2)]	1,026,416	-	-	-	-
Adjusted Net (loss) income	$ 3,493,307	$ 4,306,844	$ 7,374,956	$ 2,754,678	$ 1,345,978
Adjusted Net (loss) income attributable to noncontrolling interest	$ 678,791	$ 1,050,155	$ 1,341,410	$ 973,249	$ 885,223
Adjusted Net (loss) income attributable to THE ONE GROUP	$ 2,814,516	$ 3,256,689	$ 6,033,546	$ 1,781,429	$ 460,755

(1) Non-recurring gain is included in other income on the statement of income.

(2) Transaction costs incurred relating to the merger and private placement capital raise.

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Results of Operations

The following table sets forth certain statements of income data for the periods indicated:

	For the Nine Months Ended September 30,		For the years Ended December 31,		
	2013	2012	2012	2011 (restated)	2010
Revenues:					
Owned unit net revenues	$ 29,136,159	$ 44,261,251	$ 56,429,452	$ 43,655,381	$ 38,477,190
Management and incentive fee revenue	5,585,556	2,417,718	3,691,270	2,436,280	184,483
Total revenue	$ 34,721,715	$ 46,678,969	$ 60,120,722	$ 46,091,661	$ 38,661,673
Cost and expenses:					
Owned operating expenses:					
Food and beverage costs	7,493,088	11,151,438	14,262,858	10,512,404	8,872,617
Unit operating expenses	18,623,761	26,888,586	32,605,580	26,869,933	23,278,005
General and administrative	3,999,729	1,520,383	2,207,600	1,859,713	982,354
Depreciation and amortization	1,329,243	1,525,541	7,363,294	1,742,726	2,504,534
Management and royalty fees	119,629	290,919	340,603	391,289	425,663
Pre-opening expenses	211,330	126,418	139,541	1,182,387	797,363
Equity in (income) loss of investee companies	(563,583)	389,053	77,361	95,202	-
Interest expense, net of interest income	614,642	401,201	688,564	404,410	466,540
Loss on abandoned projects	-	-	-	894	42,244
Other expense (income)	271,447	(4,940,451)	(4,811,246)	81,790	(374,485)
Total cost and expenses	32,099,286	37,353,088	52,874,155	43,140,748	36,994,835
Income (Loss) from continuing operations before provision for income taxes	2,622,429	9,325,881	7,246,567	2,950,913	1,666,838
Provision for income taxes	155,538	19,037	13,802	196,233	120,860
Income (Loss) from continuing operations	2,466,891	9,306,844	7,232,765	2,754,680	1,545,978
Loss from discontinued operations, net of taxes	5,163,420	2,437,014	10,024,879	887,681	824,604
Net (loss) income	(2,696,529)	6,869,830	(2,792,114)	1,866,999	721,374

Less: net (loss) attributable to noncontrolling interest	(69,198)	3,694,414	(446,046)	864,026	798,730
Net (loss) income attributable to THE ONE GROUP	$ (2,627,331)	$ 3,175,416	$ (2,346,068)	$ 1,002,973	$ (77,356)
Other comprehensive income (loss)					
Currency translation adjustment	105,711	(6,074)	(12,092)	-	-
Comprehensive (loss) income	$ (2,521,620)	$ 3,169,342	$ (2,358,160)	$ 1,002,973	$ (77,356)

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The following table sets forth certain statements of income data as a percentage of revenues for the periods indicated:

	For the Nine Months Ended September 30,		For the years Ended December 31,		
	2013	2012	2012	2011 (restated)	2010
Revenues:					
Owned unit net revenues	83.9 %	94.8 %	93.9 %	94.7 %	99.5 %
Management and incentive fee revenue	16.1 %	5.2 %	6.1 %	5.3 %	0.5 %
Total revenue	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Cost and expenses:					
Owned operating expenses:					
Food and beverage costs [1]	25.7 %	25.2 %	25.3 %	24.1 %	23.1 %
Unit operating expenses [1]	63.9 %	60.7 %	57.8 %	61.6 %	60.5 %
General and administrative	11.5 %	3.3 %	3.7 %	4.0 %	2.5 %
Depreciation and amortization	3.8 %	3.3 %	12.2 %	3.8 %	6.5 %
Management and royalty fees	0.3 %	0.6 %	0.6 %	0.8 %	1.1 %
Pre-opening expenses	0.6 %	0.3 %	0.2 %	2.6 %	2.1 %
Equity in (income) loss of investee companies	(1.6)%	0.8 %	0.1 %	0.2 %	0.0 %
Interest expense, net of interest income	1.8 %	0.9 %	1.1 %	0.9 %	1.2 %
Loss on abandoned projects	0.0 %	0.0 %	0.0 %	0.0 %	0.1 %
Other expense (income)	0.8 %	(10.6)%	(8.0)%	0.2 %	(1.0)%
Total cost and expenses	92.4 %	80.0 %	87.9 %	93.6 %	95.7 %
Income (Loss) from continuing operations before provision for income taxes	7.6 %	20.0 %	12.1 %	6.4 %	4.3 %
Provision for income taxes	0.4 %	0.0 %	0.1 %	0.4 %	0.3 %
Income (Loss) from continuing operations	7.2 %	20.0 %	12.0 %	6.0 %	4.0 %
Loss from discontinued operations, net of taxes	14.9 %	5.3 %	16.7 %	1.9 %	2.1 %
Net (loss) income	(7.7)%	14.7 %	(4.6)%	4.1 %	1.9 %
Less: net (loss) attributable to noncontrolling interest	(0.2)%	7.9 %	(0.7)%	1.9 %	2.1 %
Net (loss) income attributable to THE ONE GROUP	(7.5)%	6.8 %	(3.9)%	2.2 %	(0.2)%
Other comprehensive income (loss)					
Currency translation adjustment	0.3 %	0.0 %	0.0 %	0.0 %	0.0 %

Comprehensive (loss) income	(7.2)%	6.8 %	(3.9)%	2.2 %	(0.2)%

(1) These expenses are being shown as a percentage of owned unit net revenues.

Nine Months Ended September 30, 2013 Compared to Nine Months Ended September 30, 2012

Revenues

Owned unit net revenues. Owned unit net revenues decreased $15.1 million, or 34.2%, from $44.3 million in the nine months ended September 30, 2012 to $29.1 million in the nine months ended September 30, 2013. This decrease was primarily due to a decrease of $10.3 million in revenues due to the temporary closure and renovation of The Perry Hotel in Miami in which we operate one STK and also provide food and beverage services to the hotel. We expect the STK to reopen in early 2014. We anticipate providing food and beverage services to The Perry Hotel (to be renamed as “1 Hotel South Beach”) when it reopens. While the Perry Hotel paid us $5 million in 2012 for the option to terminate our food and beverage services agreement, it has not indicated its intent to actually terminate the agreement with us as it will trigger substantial additional payments to us if it does so ($1,401,000 if terminated between October 1, 2013 and December 31, 2013, $1,200,000 if terminated between January 1, 2014 and December 31, 2014, $798,000 if terminated between January 1, 2015 and December 31, 2015 and $399,600 if terminated between January 1, 2016 and December 31, 2016). In addition, comparable owned unit net revenues declined $3.2 million, or 10.1%, and included a decline of $1.7 million at one of our lounge concepts, Tenjune, which had a temporary closure in June 2013. Non-comparable owned unit net revenues declined $1.6 million.

Management and incentive fee revenue. Management and incentive fee revenues increased $3.2 million, or 131.0%, from $2.4 million during the nine months ended September 30, 2012 to $5.6 million for the nine months ended September 30, 2013. This increase was driven primarily by an increase in the incentive fee percentage that we receive at our STK in Las Vegas as well as the opening of our food and beverage hospitality operations at the ME Hotel and Hippodrome Casino in London.

Revenue generated from these restaurants, lounges, and food and beverage services at hospitality venues impacts both our owned unit net revenues and the amount of management and incentive fees earned. For the nine months ended September 30, 2013, comparable unit sales of owned or managed STKs decreased 1.7% as compared to the nine months ended September 30, 2012. The average check for owned or managed STKs increased $12.65 from $111.36 for the nine months ended September 30, 2012 to $124.01 for the nine months ended September 30, 2013.

Cost and Expenses

Food and beverage costs. Food and beverage costs decreased $3.7 million, or 32.8%, from $11.2 million or 25.2% of owned unit net revenues for the nine months ended September 30, 2012 to $7.5 million or 25.7% of net food and beverage sales for the nine months ended September 30, 2013. The decrease in food and beverage costs was related primarily to the decrease in owned unit net revenues. The increase in food and beverage costs as a percentage of

owned unit net revenues was directly related to the menu mix and the increase in the percentage of food revenues versus beverage revenues.

Unit operating expenses. Unit operating expenses decreased by $8.3 million, or 30.7%, from $26.9 million for the nine months ended September 30, 2013 to $18.6 million for the nine months ended September 30, 2013. The decrease was primarily related to the temporary closure and renovation of The Perry Hotel in Miami. Unit operating expenses increased as a percentage of consolidated owned unit net revenues from 60.7% in the nine months ended September 30, 2012 to 63.9% in the nine months ended September 30, 2013.

General and administrative. General and administrative costs increased $2.5 million to $4.0 million, or 163.1%, during the nine months ended September 30, 2013 from $1.5 million for the nine months ended September 30, 2012. General and administrative costs as a percentage of total revenues increased from 3.3% for the nine months ended September 30, 2012 to 11.5% for the nine months ended September 30, 2013. This increase was due to additional payroll related to the expansion of our corporate infrastructure to help facilitate our long-term growth in the United States and United Kingdom, as well as additional professional fees in connection with the Merger.

Depreciation and amortization. Depreciation and amortization expense decreased $196,000, or 12.9%, from $1.5 million in the nine months ended September 30, 2012 to $1.3 million for the nine months ended September 30, 2013. This decrease was primarily related to the temporary closure of the STK in Miami at The Perry Hotel due to a major renovation that started in 2012.

Management and royalty fees. Management and royalty fees decreased $171,000, or 58.9%, from $291,000 or 0.6% of total revenues for the nine months ended September 30, 2012 to $120,000 or 0.3% of total revenues during the nine months ended September 30, 2013, due to the termination of the management agreement with the group that managed the Tenjune unit in February 2013. The Tenjune unit is currently being managed by us.

Pre-opening expenses. Restaurant pre-opening costs increased $85,000, or 67.2%, from $126,000 or 0.3% of total revenues for the nine months ended September 30, 2012 to $211,000 or 0.6% of total revenues for the nine months ended September 30, 2013. During the nine month period ended September 30, 2012, we opened six non-STK units in the United States as well as the food and beverage hospitality services for the Hippodrome Casino in London. There were also pre-opening expenses for three non-STK units that were opened in 2012 and were subsequently closed, which are therefore included in Discontinued Operations. During the nine month period ended September 30, 2013, we initiated the food and beverage services for the ME Hotel in London as well as the management services for a non-STK unit in Las Vegas. The management services for the non-STK unit in Las Vegas were discontinued in 2013, and such pre-opening expenses are therefore included in Discontinued Operations. We had 17 units in operation at both September 30, 2012 and September 30, 2013.

Equity in (income) loss of investee companies. Equity in (income) loss of investee companies improved by $953,000 from a loss of $389,000 or 0.8% of total revenues for the nine months ended September 30, 2012 to income of $564,000 or 1.6% of total revenues for the nine months ended September 30, 2013 primarily related to the income from the ownership interest in the Bagatelle unit in New York City, which opened in June 2012 and only had three months of operations as of September 30, 2012 as compared to the nine months of operations in 2013.

Interest expense, net of interest income. Interest expense, net of interest income increased by $213,000, or 53.2%, from $401,000, or 0.9% of consolidated revenues for the nine months ended September 30, 2012, to $615,000, or 1.8% of total revenues for the nine months ended September 30, 2013, due primarily to additional borrowings under our credit facility in 2013.

Other expense (income). Other expense (income) decreased by $5.2 million from $4.9 million of other income, or 10.6% of total revenues for the nine months ended September 30, 2012, to $271,000 of other expenses or 0.8% of total revenues for the nine months ended September 30, 2013 due primarily to the one-time fee of $5.0 million paid to us during the nine months ended September 30, 2012 by the owner of The Perry Hotel for the right to terminate our food and beverage services agreement with them.

Provision for income taxes. Income tax expense increased by $137,000 to $156,000 tax expense during the nine months ended September 30, 2013 from a $19,000 tax expense during the nine months ended September 30, 2012. As of September 30, 2013, we were a limited liability company and not subject to federal taxes. This increase represents various small increases in taxable income in states and cities in which we are subject to income tax.

*Loss from discontinued operation*s. During the nine months ended September 30, 2013, we closed company-owned venues in New York and Las Vegas. These closed company owned units were abandoned. The operations and related expenses of these locations are presented as loss from discontinued operations. Loss from discontinued operations increased by $2.7 million to $5.2 million during the nine months ended September 30, 2013 from $2.4 million during the nine months ended September 30, 2012.

Net loss attributable to noncontrolling interest. Net loss attributable to noncontrolling interest decreased $3.8 million, or 101.9%, to $69,000 for the nine months ended September 30, 2013 from $3.7 million during the nine months ended September 30, 2012, due primarily to the allocation to the noncontrolling interest holders of a portion of the one-time fee of $5.0 million paid to us during the nine months ended September 30, 2012 by the owner of the Perry Hotel for the right to terminate our food and beverage services agreement with them.

Year Ended December 31, 2012 Compared to Year Ended December 31, 2011

Revenues

Owned unit net revenues. Owned unit net revenues increased $12.8 million, or 29.2%, from $43.7 million in the year ended December 31, 2011 to $56.4 million for the year ended December 31, 2012. This increase was primarily due to a full year revenue impact of two STK units that opened during December 2011. This increase was partially offset by a decrease relating to the STK and food and beverage services provided to The Perry Hotel in Miami which suspended operations due to a major renovation that started in 2012.

Management and incentive fee revenue. Management and incentive fee revenues increased $1.3 million, or 51.5%, from $2.4 million during the year ended December 31, 2011 to $3.7 million for the year ended December 31, 2012. This increase was driven primarily from an increase in the incentive fee percentage that we receive at our STK in Las Vegas as well as the opening of our food and beverage hospitality operations at the Hippodrome Casino in London.

Revenue generated from these restaurants, lounges, and food and beverage services at hospitality venues impacts both our owned unit net revenues and the amount of management and incentive fees earned. For the fiscal year ended December 31, 2012, comparable restaurant sales of owned or managed STKs increased 10.8% as compared to the fiscal year ended December 31, 2011. The average check for owned and managed STKs increased $5.51 from $107.01 for the fiscal year ended December 31, 2011 to $112.52 for the fiscal year ended December 31, 2012.

Cost and Expenses

Food and beverage costs. Food and beverage costs increased $3.8 million, or 35.7%, from $10.5 million for the fiscal year ended December 31, 2011 to $14.3 million for the year ended December 31, 2012. The increase in food and beverage costs related primarily to the increase in owned unit net revenues and to an increase in the cost of beef. Food and beverage costs as a percentage of owned unit net revenues increased in 2012 to 25.3% from 24.1% in 2011.

Unit operating expenses. Unit operating expenses increased by $5.7 million, or 21.3%, from $26.9 million or 61.6% of owned unit net revenues for the year ended December 31, 2011 to $32.6 million or 57.8% of owned unit net revenues for year ended December 31, 2012. This increase was primarily due to having two units open for all of 2012 as compared to only one month in 2011, as well as having two new units open in 2012 that were not open in 2011.

General and administrative. General and administrative costs increased approximately $348,000 or 18.7%, from $1.9 million for the year ended December 31, 2011 to $2.2 million for the year ended December 31, 2012. The increase relates primarily to the opening of a corporate office in the United Kingdom in 2012. General and administrative costs as a percentage of total revenues decreased from 4.0% for 2011 to 3.7% in 2012.

Depreciation and amortization. Depreciation and amortization expense increased $5.6 million to $7.4 million or 12.2% of total revenues during the year ended December 31, 2012 from $1.7 million or 3.8% of total revenues during the year ended December 31, 2011. This increase was due primarily to the acceleration of the depreciation for 100% of the assets of the STK at The Perry Hotel in Miami due to the projected relocation of the restaurant in 2013 from one section of the hotel to another.

Management and royalty fee expense. Management and royalty fees decreased $50,000, or 13.0%, to $341,000 or 0.6% of total revenues during the year ended December 31, 2012 from $391,000 or 0.8% of total revenues during the year ended December 31, 2011.

Pre-opening expenses. Pre-opening expenses decreased $1.0 million, or 88.2%, to $140,000 or 0.2% of total revenues during the year ended December 31, 2012 from $1.2 million or 2.6% of total revenues during the year ended December 31, 2011, primarily due to the opening of two new STK's in 2011. During the year ended December 31, 2012, we opened five non-STK units in the United States, opened one STK in London and initiated the food and beverage hospitality services for the Hippodrome Casino in London. There were also pre-opening expenses for three non-STK units that were opened in 2012 and were subsequently closed, which are therefore included in Discontinued Operations. During the year ended December 31, 2011, we opened two STKs and initiated the food and beverage services for The Gansevoort Hotel in New York. At December 31, 2012 and December 31, 2011, we had 18 and 10 units in operation, respectively.

Equity in (income) loss of investee companies. Equity in (income) loss of investee companies decreased $18,000 from a loss of $95,000 or 0.2% of total revenues for the year ended December 31, 2011 to a loss of $77,000 or 0.1% of total revenues for the year ended December 31, 2012.

Interest expense, net of interest income. Interest expense, net of interest income increased by $284,000 from $404,000, or 0.9% of total revenues, for the year ended December 31, 2011 to $689,000, or 1.1% of total revenues, for the year ended December 31, 2011 due primarily to additional borrowings under our credit facility in 2012.

Other expense (income). Other expense (income) expense increased by $4.9 million to $4.8 million of other income or 8.0% of total revenues during the year ended December 31, 2012 from other expenses of $82,000 or 0.2% of total revenues during the year ended December 31, 2011, due primarily to the one-time fee of $5.0 million paid to us during 2012 by the owner of The Perry Hotel for the right to terminate our food and beverage services agreement with them.

Provision for income taxes. Income tax expense decreased by $182,000, or 93.0%, to $14,000 during the year ended December 31, 2012 from $196,000 during the year ended December 31, 2011. This decrease was primarily the result of an increase in the deferred tax asset that was partially offset by an increase in the current provision from higher taxable income.

Loss from discontinued operations, net of taxes. During the year ended December 31, 2012 , we closed one company owned non-STK venue in Atlantic City and initiated the process to close one company owned non-STK venue in New York City and another non-STK venue in Las Vegas. These closed company owned units were abandoned. We recorded impairment charges of $5,133,552 in connection with such closings. Of such amount, approximately $5.0 million represented 100% of the property and equipment for BBCLV which owned a restaurant known as Bagatelle in Las Vegas, Nevada. BBCLV was formed by us in March 2012 and ceased operations in July 2013. The operations and related expenses of these locations are presented as loss from discontinued operations. Loss from discontinued operations increased by $9.1 million to $10.0 million during the year ended December 31, 2012 from $888,000 during the year ended December 31, 2011.

Net (loss) income attributable to noncontrolling interest. Net income attributable to noncontrolling interest decreased $1.3 million, or 151.6%, to a net loss of $446,000 for the year ended December 31, 2012 from a net income of $864,000 during the year ended December 31, 2011.

Year Ended December 31, 2011 Compared to Year Ended December 31, 2010

Revenues

Owned unit net revenues. Owned unit net revenues for the year ended December 31, 2011 increased $5.2 million, or 13.5%, to $43.7 million from $38.5 million for the year ended December 31, 2010 primarily due to an net increase in sales at comparable units of $4.3 million, or 14.8%, as well as an increase from non-comparable units of $846,000.

Management and incentive fee revenue. Management and incentive fee revenues increased $2.3 million, or 1,220.6%, from $184,000 during the year ended December 31, 2010 to $2.4 million for the year ended December 31, 2011. This increase was driven primarily from a full year of operations from both our STK in Las Vegas as well as our food and beverage hospitality operations at the Gansevoort Hotel in New York City.

Revenue generated from these restaurants, lounges, and food and beverage services at hospitality venues impacts both our owned unit net revenues and the amount of management and incentive fees earned. For the fiscal year ended

December 31, 2011, comparable restaurant sales of owned or managed STKs increased 11.1% as compared to the fiscal year ended December 31, 2010. The average check for owned and managed STKs decreased $36.82 from $143.83 for the fiscal year ended December 31, 2010 to $107.01 for the fiscal year ended December 31, 2011.

Cost and Expenses

Food and beverage costs. Food and beverage costs increased $1.6 million, or 18.5%, to $10.5 million for the year ended December 31, 2011 from $8.9 million for the year ended December 31, 2010. The increase in food and beverage costs was related primarily to the increase in food costs, primarily driven by an increase in beef cost, during 2011. Food and beverage costs as a percentage of owned unit net revenues increased to 24.1% from 23.1% in the comparable period in 2010.

Unit operating expenses. Unit operating expenses increased by $3.6 million, or 15.4%, from $23.3 million, or 60.5% of owned unit net revenues for the year ended December 31, 2010 to $26.9 million or 61.6% of owned unit net revenues for year ended December 31, 2011. This increase was primarily due to the opening of three new units in 2011 as well as an increase in variable costs directly relating to the increase in owned unit net revenues at comparable units.

General and administrative. General and administrative costs increased approximately $877,000, or 89.3%, from $982,000 or 2.5% of total revenues for the year ended December 31, 2010 to $1.9 million or 4.0% of total revenues for the year ended December 31, 2011. This increase was due to additional payroll related to the expansion of our corporate infrastructure to help facilitate our growth, as well as additional professional fees.

Depreciation and amortization. Depreciation and amortization expense decreased $762,000, or 30.4%, to $1.7 million during the year ended December 31, 2011 from $2.5 million during the year ended December 31, 2010. This decrease was due primarily to an asset being fully depreciated in 2010 for our STK in Los Angeles.

Management and royalty fees. Management and royalty fees decreased $34,000, or 8.1%, to $391,000 or 0.8% of total revenues during the year ended December 31, 2011 from $426,000 or 1.1% of total revenues during the year ended December 31, 2010.

Pre-opening expenses. Pre-opening expenses increased $385,000, or 48.3%, to $1.2 million in the year ended December 31, 2011 from $797,000 during the year ended December 31, 2010, primarily as a result of the opening of two new company owned units in 2011, as well as the pre-opening expenses incurred for two additional units that were under construction in 2011 and did not open or begin generating revenues until 2012. We opened two company owned restaurants during 2010. Pre-opening expenses as a percentage of total revenues increased to 2.6% during the year ended December 31, 2011 from 2.1% during the year ended December 31, 2010. During the year ended December 31, 2011, we opened two STKs and initiated the food and beverage services for The Gansevoort Hotel in New York. During the year ended December 31, 2010, we opened two STK units in the United States. At December 31, 2011 and December 31, 2010, we had 10 and 7 units in operation, respectively.

Equity in (income) loss of investee companies. Equity in (income) loss of investee companies was $95,000 or 0.2% of total revenues for the year ended December 31, 2011 as compared to no balance for the year ended December 31, 2010.

Interest expense, net of interest income. Interest expense, net of interest income decreased by $62,000, or 13.3%, from $467,000, or 1.2% of total revenues, for the year ended December 31, 2010 to $404,000, or 0.9% of total revenues, for the year ended December 31, 2011 due primarily to an increase in interest income.

Other expense (income). Other expense (income) expense decreased by $456,000, or 121.8%, to $82,000 of other expense during the year ended December 31, 2011 from $374,000 of other income during the year ended December 31, 2010, due primarily to a one time development fee income received for one of our units that opened in 2010. Other (income) expense as a percentage of total revenues decreased to other expense of 0.2% during the year ended December 31, 2011 from other income of 1.0% during the year ended December 31, 2010.

Provision for income taxes. Income tax expense increased by $75,000, or 62.4%, to $196,000 for the year ended December 31, 2011 from $121,000 for the year ended December 31, 2010. This increase was primarily the result of higher taxable income in 2011.

Loss from discontinued operations, net of taxes. During the year ended December 31, 2011*,* we closed one company owned venue in New York City. These closed company owned units were abandoned. The losses from operations and related expenses of these locations are presented as loss from discontinued operations. Loss from discontinued operations increased by $63,000, or 7.6%, to $888,000, or 1.9% of total revenues during the year ended December 31, 2011 from $825,000, or 2.1% of total revenues during the year ended December 31, 2010.

Net (loss) attributable to noncontrolling interest. Net loss attributable to noncontrolling interest increased $65,000, or 8.2%, to $864,000, or 1.9% of total revenues for the year ended December 31, 2011, from $799,000, or 2.1% of total revenues for the year ended December 31, 2010.

Potential Fluctuations in Quarterly Results and Seasonality

Our quarterly operating results may fluctuate significantly as a result of a variety of factors, including the timing of new restaurant openings and related expenses, profitability of new restaurants compared with more mature units, increases or decreases in comparable restaurant sales, general economic conditions, changes in consumer preferences, competitive factors and changes in food costs (especially beef). In the past, we have experienced significant variability in restaurant pre-opening costs from quarter to quarter primarily due to the timing of restaurant openings. We typically incur restaurant pre-opening costs in the five months preceding a new restaurant opening. In addition, our experience to date has been that labor and direct operating and occupancy costs associated with a newly opened restaurant during the first five to nine months of operation are often materially greater than what will be expected after that time, both in aggregate dollars and as a percentage of restaurant sales. Accordingly, the number and timing of new restaurant openings in any quarter has had, and is expected to continue to have, a significant impact on quarterly restaurant pre-opening costs, labor and direct operating and occupancy costs. Our business also is subject to fluctuations due to season and adverse weather. Our results of operations have historically been impacted by seasonality. Our second and fourth quarters have traditionally had higher sales volume than other periods of the year. Severe weather may impact restaurant unit volumes in some of the markets where we operate and may have a greater impact should they occur during our higher volume months, especially the second and fourth quarters. As a result of these and other factors, our financial results for any given quarter may not be indicative of the results that may be achieved for a full fiscal year.

Liquidity and Capital Resources

Our principal liquidity requirements are to meet our lease obligations and our working capital and capital expenditure needs and, to a lesser extent, to pay principal and interest on our outstanding indebtedness. Subject to our operating performance, which, if significantly adversely affected, would adversely affect the availability of funds, we expect to finance our operations for at least the next 12 to 18 months, including costs of opening currently planned new restaurants, through cash received by us in connection with the Merger, as well as cash provided by operations and borrowings under our existing credit facility discussed below. We cannot be sure that these sources will be sufficient to finance our operations, however, and we may seek additional financing in the future, which may or may not be available on terms and conditions satisfactory to us, or at all. As of September 30, 2013, we had cash and cash equivalents of approximately $1.3 million.

Our operations have not required significant working capital and, like many restaurant companies, we may at times have negative working capital. Revenues are received primarily in cash or by credit card, and restaurant operations do not require significant receivables or inventories, other than our wine inventory. In addition, we receive trade credit for the purchase of food, beverages and supplies, thereby reducing the need for incremental working capital to support growth.

Cash Flows

The following table summarizes the statement of cash flows for the nine months ended September 30, 2013 and September 30, 2012:

	Nine Months Ended	
	September 30, 2013	September 30, 2012
	(in thousands)	
Net cash provided by (used in):		
Operating activities	$(1,086)	$ 7,172
Investing activities	(2,191)	(6,300)
Financing activities	3,443	(708)
Effect of exchange rate changes on cash	106	(6)

$272	$ 158

Operating Activities. Cash flows used in operating activities were $1.1 million for the nine months ended September 30, 2013, consisting of net loss of $2.7 million and adjustments for depreciation, amortization, deferred rent and other non-cash charges totaling $1.6 million. Net cash inflow of operating assets and liabilities totaled $23,000 and included decreases in accounts receivable and inventory of $763,000, increases in prepaid expenses of $526,000, and a decrease of $144,000 in accounts payable and accrued expenses. Cash flows provided by operating activities were $7.2 million for the nine months ended September 30, 2012, consisting of net income of $6.9 million, including a one-time fee of $5.0 million paid to us by the owner of The Perry Hotel for the right to terminate our food and beverage services agreement with them, and adjustments for depreciation, amortization, deferred rent and other non-cash charges totaling $2.6 million. Net cash outflow of operating assets and liabilities totaled $2.3 million and included increases in accounts receivable and inventory of $776,000, decreases in prepaid expenses of $131,000, and an increase of $1.0 million in accounts payable and accrued expenses.

Investing Activities. Net cash used in investing activities for the nine months ended September 30, 2013 was $2.2 million, consisting primarily of purchases of property and equipment of $1.4 million and increases in amounts due from related parties of $985,000. Net cash used in investing activities for the nine months ended September 30, 2012 was $6.3 million, consisting primarily of purchases of property and equipment of $4.4 million, primarily related to construction of new restaurants and remodeling of existing restaurants during the period and increases in investments of $1.8 million.

Financing Activities. Net cash provided by financing activities for the nine months ended September 30, 2013 was $3.4 million, consisting of proceeds from our credit facility of $6.0 million, offset by principal payments made on our credit facility of $3.5 million, proceeds from member loans of $2.0 million and contributions from new members of $520,000. This was partially offset by distributions to members of $1.4 million. Net cash used in financing activities for the nine months ended September 30, 2012 was $708,000, consisting of proceeds from our credit facility of $2.7 million, offset by principal payments made on our credit facility of $1.5 million, proceeds from member loans of $1.5 million, partially offset by principal payments of $782,000 and contributions from new members of $1.5 million. This was partially offset by distributions to members of $4.4 million.

The following table summarizes the statement of cash flows for the fiscal years ended December 31, 2012, December 31, 2011 and December 31, 2010:

	Fiscal Year Ended		
	December 31, 2012	December 31, 2011 (restated)	December 31, 2010
	(in thousands)		
Net cash provided by (used in):			
Operating activities	$7,780	$ 6,477	$ 3,299
Investing activities	(6,709)	(9,148)	(1,724)
Financing activities	(1,752)	2,117	(1,298)
Effect of exchange rate changes on cash	(12)		
Net increase (decrease) in cash and cash equivalents	$(693)	$ (554)	$ 277

Operating Activities

For the year ended December 31, 2012, cash flows provided by operating activities were $7.8 million, consisting of net loss of $2.8 million and adjustments for depreciation, amortization, deferred rent and other non-cash charges, including an impairment charge of $5.1 million, totaling $11.6 million. Net cash outflow of operating assets and liabilities totaled $1.1 million and included increases in accounts receivable of $1.1 million, increases in inventory of $195,000, increases in prepaid expenses of $201,000, increases in security deposits of $198,000, increases in other

assets of $626,000 and an increase of $1.3 million in accounts payable and accrued expenses.

For the year ended December 31, 2011, cash flows provided by operating activities were $6.5 million, consisting of net income of $1.9 million and adjustments for depreciation, amortization, deferred rent and other non-cash charges totaling $3.2 million. Net cash inflow of operating assets and liabilities totaled $1.4 million and included decreases in accounts receivable of $65,000, increases in inventory of $242,000, increases in security deposits of $293,000 and an increase of $1.8 million in accounts payable and accrued expenses.

For the year ended December 31, 2010, cash flows provided by operating activities were $3.3 million, consisting of net income of $721,000 and adjustments for depreciation, amortization, deferred rent and other non-cash charges totaling $4.8 million. Net cash outflow of operating assets and liabilities totaled $2.2 million and included increases primarily in accounts receivable of $1.6 million, as well as increases in other assets of $387,000.

Investing Activities

Net cash used in investing activities for the year ended December 31, 2012 was $6.7 million, consisting primarily of purchases of property and equipment of $7.2 million, primarily related to construction of new restaurants and remodeling of existing restaurants during the period.

Net cash used in investing activities for the year ended December 31, 2011 was $9.1 million, consisting primarily of purchases of property and equipment of $7.5 million, primarily related to construction of new restaurants and remodeling of existing restaurants during the period and an increase in investments and amounts due from related parties of $1.5 million.

Net cash used in investing activities for the year ended December 31, 2010 was $1.7 million, consisting primarily of purchases of property and equipment of $1.3 million. These purchases primarily related to construction in progress of new restaurants during the period and remodel activity of existing restaurants. In addition, cash was used for investments in unconsolidated entities of $470,000.

Financing Activities

Net cash used in financing activities for the year ended December 31, 2012 was $1.8 million, consisting of proceeds from our credit facility of $3.7 million, offset by principal payments made on our credit facility of $2.4 million, proceeds from member loans of $1.5 million, offset by principal payments of $1.3 million and contributions from new members of $1.6 million. This was partially offset by distributions to members of $5.2 million.

Net cash provided by financing activities for the year ended December 31, 2011 was $2.1 million, consisting of an increase in escrow deposits of $3.2 million from the proceeds of a private raise of securities, proceeds from our credit facility of $1.3 million, principal payments made on outstanding note payable of $20,000, principal payments on member loans of $671,000 and contributions from new members of $157,000. This was partially offset by distributions to members of $1.5 million.

Net cash used in financing activities for the year ended December 31, 2010 was $1.3 million, consisting of a reduction in escrow deposits of $2.9 million, principal payments made on outstanding note payable of $20,000, proceeds from member loans of $500,000, principal payments on member loans of $582,000 and contributions from new members of $3.3 million. This was partially offset by distributions of $1.6 million.

Capital Expenditures

To the extent we open new restaurants, we anticipate capital expenditures in the future will increase from the amounts described in "—Investing Activities" above. We typically target an average cash investment of approximately $3.8 million on average for an STK restaurant, in each case net of landlord contributions and equipment financing and excluding pre-opening costs. In addition, some of our existing units will require some capital improvements to either maintain or improve the facilities. We are also looking at opportunities to add seating or provide enclosures for outdoor space in the next 12 months for some of our units. In addition, our hospitality F&B services projects typically require limited capital investment from us. These capital expenditures will primarily be funded by cash flows from operations and, if necessary, by the use of our credit facility, depending upon the timing of expenditures.

Credit Facility

On October 31, 2011, we entered into a credit facility with BankUnited, N.A., or BankUnited (formerly Herald National Bank). The credit facility provided for borrowings of up to $3.0 million. We refinanced our credit facility in January 2013 and increased our borrowing capacity to $5.0 million. Borrowings under our credit facility accrue interest at an interest rate per annum equal to the greater of the prime rate plus 1.75% and 5.0% through April 30, 2015. Our obligations under our credit facility are secured by substantially all of our assets and are guaranteed by Jonathan Segal, our Chief Executive Officer, Director and a principal stockholder. As of September 30, 2013, amounts borrowed under this credit facility were approximately $4.9 million.

On September 13, 2013, BankUnited provided us with a waiver of noncompliance with certain terms in the Credit Agreement, including the delayed filing of audited financial statements for the year ended December 31, 2012, the minimum tangible net worth covenant of not less than $15.0 million with respect to One Group and its subsidiaries (and $9 million with respect to One Group and several of its subsidiaries that were the borrowers under the Credit Agreement) as of the periods ended December 31, 2012, March 31, 2013 and June 30, 2013, and the increase to the key man life insurance policy from $3 million to $5 million. In addition, on November 7, 2013, BankUnited provided us with a waiver at noncompliance with the minimum tangible net worth covenant of not less than $15.0 million with respect to One Group and its subsidiaries (and $9 million with respect to One Group and several of its subsidiaries that were borrowers under the Credit Agreement) as of the quarter ended September 30, 2013. Our tangible net worth as calculated pursuant to the Credit Agreement was $6,254,123, $6,695,103, $5,189,908 and $2,816,615 as of the periods ended December 31, 2012, March 31, 2013, June 30, 2013 and September 30, 2013, respectively. Following the consummation of the Merger, we are currently in compliance with the tangible net worth covenants.

On October 15, 2013, we entered into an amendment to the credit facility whereby BankUnited agreed, upon effectiveness of the Merger, to the release and termination of the Jonathan Segal guarantee and pledge, certain subordination agreements of Jonathan Segal and related entities and the release of the assignment of the proceeds of the key-man life insurance policy on the life of Mr. Segal. The amendment also imposed certain post-closing obligations on us, including executing a guarantee in favor of BankUnited unconditionally guaranteeing all of the obligations of the borrowers and the pledge of all of the membership interests of One Group owned by the Company. This post-closing obligation was met on October 25, 2013 when we entered into the Pledge Agreement and Guarantee Agreement with BankUnited.

Other Notes Payable

From 2007 to 2012 we entered into various demand loans with RCI II Ltd., an entity controlled by Jonathan Segal (“RCI”) totaling approximately $4.4 million that accrue interest ranging from 6% to 12%. In 2009 $1.0 million was converted to equity. On December 31, 2012, one of the notes for $500,000 was forgiven by RCI in exchange for a membership interest we held in 408 W 15 Members LLC an unrelated party. The amount of forgiveness reduced the demand loan balance at December 31, 2012. On April 4, 2013, we entered into a demand note with RCI totaling $1.5 million that accrues interest at 12% annually. These notes, along with accrued interest, were repaid in conjunction with the Merger and the proceeds realized therefrom.

On January 28, 2013, we entered into a demand note with Jonathan Segal totaling $500,000 that accrues interest at 12% annually. This note, along with accrued interest, was repaid in conjunction with the Merger and the proceeds realized therefrom.

On December 9, 2011 one of our subsidiaries entered into two loan agreements with entities that are controlled by Jonathan Segal for funds up to $354,200 (£230,000) and $462,000 (£300,000), The loans are due on demand and are

accruing interest at 8%. These loans, along with accrued interest, were repaid in conjunction with the Merger and the proceeds realized therefrom.

On October 1, 2009, we issued a demand promissory note with Talia Limited, an entity owned by Maunce Segal a relative of Jonathan Segal, in the amount of $300,000, whereby principal and all unpaid and accrued interest are due on demand. Interest accrues at a rate of 20% per year, half of the interest shall be paid by us in eight consecutive quarterly fixed payments of interest only, in arrears, in the amount of $7,500 and all remaining interest shall be repaid in full on the maturity date. The loan is secured by a portion of our interests in select subsidiaries. This note, along with accrued interest, was repaid in conjunction with the Merger and the proceeds realized therefrom.

All of the foregoing demand loans and promissory notes were repaid out of cash previously held in the trust account for the benefit of Committed Capital Acquisition Corporation that was released to us upon the closing of the Merger.

We believe that net cash provided by anticipated operating activities, net proceeds received by us in connection with the Merger and existing available borrowings under our credit facility will be sufficient to fund currently anticipated working capital, planned capital expenditures and debt service requirements for the next 12-18 months. We regularly review acquisitions and other strategic opportunities, which may require additional debt or equity financing. We currently do not have any pending agreements or understandings with respect to any acquisition or other strategic opportunities.

Contractual Obligations

The following table summarizes our contractual obligations, net of minimum future rental income, as of September 30, 2013:

	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
	(in thousands)				
Long-term debt					
Member loans	7,377	7,377			
Notes payable	320	320			
Line of credit	4,906	4,906			
Other long-term liabilities	-	-			
Expected interest payments	245	245			
Operating leases	75,320	1,024	10,119	9,976	54,201
Total	$ 88,168	$ 13,872	$ 10,119	$ 9,976	$ 54,201

Off-Balance Sheet Arrangements

We previously entered into a credit facility with BankUnited, N.A. (formerly Herald National Bank) which Mr. Segal had personally guaranteed. In exchange, we agreed to pay him a 3% annual “guaranty fee.” Upon the Merger, Mr. Segal’s guaranty with BankUnited was terminated and we terminated the payment of continued guaranty fees to Mr. Segal.

As part of our on-going business, we may participate in transactions that generate relationships with unconsolidated entities or financial partnerships, such as entities referred to as structured finance or variable interest entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

Equity Awards

At September 30, 2013 and December 31, 2012, we had outstanding 39,065 fully-vested transaction units. Prior to the effectiveness of the Merger, all transaction units were cancelled.

In October 2013, our board of directors approved the 2013 Employee, Director and Consultant Equity Incentive Plan (the "2013 Plan") pursuant to which we may issue options, warrants, restricted stock grants or similar equity linked instrument. Pursuant to that plan, we expect to offer stock options, restricted stock and/or other forms of stock-based compensation to our directors, officers and employees. All awards will be approved by the board of directors or a committee of the board of directors to be established for such purpose. In connection with the merger, we granted options to purchase an aggregate of 1,533,156 shares of Common Stock to our executive officers.

Critical Accounting Policies and Estimates

Our discussion and analysis of financial condition and results of operations is based upon our consolidated financial statements which have been prepared in accordance with GAAP. The preparation of these financial statements requires estimates and judgments that affect the reported amounts of our assets, liabilities, net sales and operating expenses and related disclosure of contingent assets and liabilities. We base our estimates on historical experience and various other assumptions we believe to be reasonable given the circumstances and we evaluate these estimates on an ongoing basis. Actual results may differ from these estimates under different assumptions or conditions. We believe that our critical accounting policies and estimates require us to make difficult, subjective or complex judgments about matters that are inherently uncertain. See Note 1 to our consolidated financial statements, which are included elsewhere in this prospectus, for a complete discussion of our significant accounting policies. The following reflect the significant estimates and judgments used in the preparation of our consolidated financial statements.

Impairment of Long-Lived Assets and Disposal of Property and Equipment

We evaluate the recoverability of the carrying amount of long-lived assets, which include property and equipment, whenever events or changes in circumstances indicate that the carrying value may not be fully recoverable. Our review for impairment of these long-lived assets takes into account estimates of future undiscounted cash flows. Factors considered include, but are not limited to, significant underperformance relative to historical or projected future operating results, significant changes in the manner of use of the acquired assets or the strategy for the overall business, and significant negative industry or economic trends. Our asset group for impairment testing is comprised of the assets and liabilities of each of our individual restaurants, since this is the lowest level of identifiable cash flows. An impairment loss is recognized if the future undiscounted cash flows associated with the assets are less than their carrying value. Impairment losses are measured as the amount by which the carrying values of the assets exceed their fair values. For assets held for sale or disposal, we measure fair value using quoted market prices or an estimation of net realizable value.

From time to time, we have decided to close or dispose of restaurants. Typically, such decisions are made based on operating performance or strategic considerations and must be made before the actual costs or proceeds of disposition are known, and management must make estimates of these outcomes. Such outcomes could include the sale of a leasehold, mitigating costs through a tenant or subtenant, or negotiating a buyout of a remaining lease term. In these instances, management evaluates possible outcomes, frequently using outside real estate and legal advice, and records provisions for the effect of such outcomes. The accuracy of such provisions can vary materially from original estimates, and management regularly monitors the adequacy of the provisions until final disposition occurs.

Leases

We currently lease all of our restaurant locations under leases classified as operating leases. Minimum base rent for our operating leases, which generally have escalating rentals over the term of the lease, is recorded on a straight-line basis over the lease term. As such, an equal amount of rent expense is attributed to each period during the term of the lease regardless of when actual payments occur. Lease terms begin on the date we take possession under the lease and include cancelable option periods where failure to exercise such options would result in an economic penalty. The difference between rent expense and actual cash payments is classified as deferred rent in our consolidated balance sheets.

Some of our leases provide for contingent rent, which is determined as a percentage of sales in excess of specified minimum sales levels. We recognize contingent rent expense prior to the achievement of the specified sales target that triggers the contingent rent, provided achievement of the sales target is considered probable.

Revenues

Our revenues are primarily derived from the following sources: revenues at our owned and consolidated joint venture properties and management fees and incentive fees. The following is a description of the composition of our revenues:

Owned unit net revenues— Represents revenue primarily derived from food and beverage sales from our restaurants and lounges. We recognize restaurant revenues when goods and services are provided.

Management, incentive and royalty fees— Represents fees earned on managed restaurants and other venues. Management fees are comprised of a base fee, which is generally based on a percentage of gross revenues, and an incentive fee, which is generally based on the property's profitability. For any time during the year, when the provisions of our management contracts allow receipt of incentive fees upon termination, incentive fees are recognized for the fees due and earned as if the contract was terminated at that date, exclusive of any termination fees due or payable. Therefore, during periods prior to year-end, the incentive fees recorded may not be indicative of the eventual incentive fees that will be recognized at year-end as conditions and incentive hurdle calculations may not be final.

Recent Accounting Pronouncements

In February 2013, the Financial Accounting Standards Board ("FASB") issued guidance requiring disclosure of amounts reclassified out of accumulated other comprehensive income by component. In addition, an entity is required to present either on the face of the statement of operations or in the notes, significant amounts reclassified out of accumulated other comprehensive income by the respective line items of net income but only if the amount reclassified is required to be reclassified to net income in its entirety in the same reporting period. For amounts not reclassified in their entirety to net income, an entity is required to cross-reference to other disclosures that provide additional detail about those amounts. This guidance is effective prospectively for the Company for annual and interim periods beginning January 1, 2013. The Company believes that the impact of this standard will not have a material impact on its consolidated financial statements.

Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

We are exposed to market risk from adverse changes in interest rates, changes in foreign currency exchange rates and changes in commodity prices.

We are exposed to market risk from fluctuations in interest rates under our Credit Facility. We do not invest in derivative securities and we have no debt instruments that are traded in any markets. Our Credit Facility calls for variable rates of interest based on the prime rate from time to time. Increases in interest rates would increase our interest expense and negatively impact future earnings and cash flows. At December 31, 2012, we had $2.5 million of variable rate debt. Holding other variables constant, such as foreign exchange rates and debt levels, a hypothetical immediate one percentage point change in interest rates would be expected to have an impact on pre-tax earnings and cash flows for 2012 of approximately $25,000.

Foreign Currency Exchange Rate Risk

We are subject to foreign currency exchange risk for our restaurants operating in the United Kingdom. If foreign currency exchange rates depreciate in the United Kingdom, any other foreign country in which we may operate in the future, we may experience declines in our international operating results but such exposure would not be material to the consolidated financial statements. We currently do not use financial instruments to hedge foreign currency exchange rate changes.

Commodity Price Risk

We are exposed to market price fluctuations in beef, seafood, produce and other food product prices. Given the historical volatility of beef, seafood, produce and other food product prices, these fluctuations can materially impact our food and beverage costs. While we have taken steps to qualify multiple suppliers who meet our standards as suppliers for our restaurants and enter into agreements with suppliers for some of the commodities used in our restaurant operations, we do not enter into long-term agreements for the purchase of such supplies. There can be no assurance that future supplies and costs for such commodities will not fluctuate due to weather and other market conditions outside of our control and we may be subject to unforeseen supply and cost fluctuations. Dairy costs can also fluctuate due to government regulation. Because we typically set our menu prices in advance of our food product prices, our menu prices cannot immediately take into account changing costs of food items. To the extent that we are unable to pass the increased costs on to our customers through price increases, our results of operations would be adversely affected. We do not use financial instruments to hedge our risk to market price fluctuations in beef, seafood, produce and other food product prices at this time.

Inflation

Over the past five years, inflation has not significantly affected our operations. However, the impact of inflation on labor, food and occupancy costs could, in the future, significantly affect our operations. We pay many of our employees hourly rates related to the applicable federal or state minimum wage. Food costs as a percentage of revenues have been somewhat stable due to procurement efficiencies and menu price adjustments, although no assurance can be made that our procurement will continue to be efficient or that we will be able to raise menu prices in the future. Costs for construction, taxes, repairs, maintenance and insurance all impact our occupancy costs. We believe that our current strategy, which is to seek to maintain operating margins through a combination of menu price increases, cost controls, careful evaluation of property and equipment needs, and efficient purchasing practices, has been an effective tool for dealing with inflation. There can be no assurance, however, that future inflationary or other cost pressure will be effectively offset by this strategy.

DESCRIPTION OF THE MERGER

Merger Agreement

On October 16, 2013, we entered into the Merger Agreement among the Company, Merger Sub, One Group and Samuel Goldfinger as One Group Representative. One Group is a Delaware limited liability company that, through itself and several subsidiary entities, develops and operates upscale, high-energy restaurants and lounges and provides turn-key food and beverage services for hospitality venues including boutique hotels, casinos and other high-end locations in the United States and the United Kingdom. Turn-key food and beverage services are food and beverage services that can be scaled and implemented by us at a particular hospitality venue and customized per the requirements of the client. The descriptions of the Merger Agreement in this prospectus do not purport to be complete, and are qualified in their entirety by reference to the full text of the Merger Agreement, which is incorporated by reference as Exhibit 2.1 to this registration statement of which this prospectus forms a part. The summary description of the Merger Agreement set forth below contains all material terms and conditions of such agreement.

Pursuant to the Merger Agreement and upon the filing of a certificate of merger with the Secretary of State of the State of Delaware, on October 16, 2013 (the “Closing Date”), Merger Sub was merged with and into One Group, with One Group being the surviving entity and thereby becoming a wholly owned subsidiary of the Company. At the effective time of the Merger (the “Effective Time”), the legal existence of Merger Sub ceased and all of the issued and outstanding membership interests of One Group that were outstanding immediately prior to the Effective Time were cancelled and new membership interests of One Group comprising 100% of its ownership interests were issued to the Company. Simultaneously, the Company issued to the TOG Members and to a Liquidating Trust established for the benefit the TOG Warrant Owners an aggregate of 12,631,400 shares of the Company’s Common Stock and paid to such TOG Members an aggregate of $11,750,000 in cash. As part of the Merger Consideration, the Company issued to Jonathan Segal, the former Managing Member of One Group and currently our Chief Executive Officer and a Director, 1,000,000 shares of Common Stock as a control premium. The foregoing shares are in addition to the 7,680,666 shares issued to Mr. Segal and related entities in respect of his pro rata portion of shares of Common Stock issued to all TOG Members. Of the 12,631,400 shares of Common Stock issued as part of the Merger Consideration, 2,000,000 shares, the Escrow Shares, were deposited into the Escrow Account at Continental Stock Transfer & Trust Company, as Escrow Agent, to secure certain potential adjustments to the Merger Consideration as described below and certain potential indemnification obligations. As of the Effective Time, the former members of One Group and the Liquidating Trust held shares of Common Stock comprising, in the aggregate, 50.68% of the issued and outstanding shares of the Company’s Common Stock.

The Merger Agreement provides for up to an additional $14,100,000 of payments to the TOG Members and the Liquidating Trust based on a formula as described in the Merger Agreement (“Contingent Payments”) and which is contingent upon the exercise of outstanding Company warrants to purchase 5,750,000 shares of Common Stock at an exercise price of $5.00 per share (the “Parent Warrants”). The Company is required to make any Contingent Payments on a monthly basis. Additionally, certain the One Group employees are entitled to receive a contingent sign-on bonus of an aggregate of approximately $900,000 upon the exercise of the Parent Warrants. Any Parent Warrants that are

unexercised will expire on the date that is the earlier of (i) two years after the effective date of the registration statement registering the shares of Common Stock issuable upon the exercise of the Parent Warrants or (ii) the forty-fifth (45th) day following the date that the Company's Common Stock closes at or above $6.25 per share for 20 out of 30 trading days commencing on the effective date. The Company filed such registration statement on November 6, 2013.

The Common Stock portion of the Merger Consideration is subject to adjustment to reflect Working Capital Shortfalls and Excess Liabilities compared to the amounts that will be set forth in a closing statement required to be delivered by One Group within 90 days of the Closing of the Merger. To the extent Working Capital Shortfalls exceed $100,000 or Adjustment Liabilities exceeds Excess Liabilities by greater than $20,000 in the aggregate, the Members and the Liquidating Trust, on a Pro Rated Basis, shall be liable to the Company for an amount equal to the sum of any Excess Liabilities and Working Capital Shortfall. Any payment required to be made with respect to the foregoing shall be made by reduction of the Escrow Shares or as a set off to Contingent Payments, if any.

As required by the Merger Agreement, the Company, One Group and the TOG Members entered into several ancillary agreements including (i) Lockup Agreements by and among the Company and the TOG Members, (ii) the Escrow Agreement and (ii) a Liquidating Trust Agreement.

October 2013 Private Placement

In connection with the closing of the Merger, the Company completed the October 2013 Private Placement, a private placement of 3,131,339 shares of Common Stock at a purchase price of $5.00 per share to the Investors, realizing gross proceeds of $15,656,695. Jefferies LLC served as placement agent for the October 2013 Private Placement.

In connection with the October 2013 Private Placement, we also entered into the October 2013 Registration Rights Agreement with the Investors, in which we agreed to file the Registration Statement with the SEC to register the Common Stock for resale within 30 calendar days of the Closing Date, and to have the Registration Statement declared effective within 90 calendar days of the Closing Date or within 120 calendar days of the Closing Date if the SEC conducts a full review of the Registration Statement. We also have agreed to include in such Registration Statement the shares of Common Stock issued to TOG Members (other than those shares issued to Jonathan Segal and related entities) or issuable to TOG Warrant Owners pursuant to the Merger Agreement, subject to cut-back in certain circumstances. These shares of Common Stock are covered by the registration statement of which this prospectus forms a part.

COMMITTED CAPITAL ACQUISITION CORPORATION

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma condensed combined financial statements give effect to the Business Combination which was consummated on October 16, 2013, pursuant to the Transaction Documents by and between the parties set out below and is being provided to aid in your analysis of the financial aspects of the Business Combination and gives effect to the equity offering.

Because Committed Capital is a shell company and The One Group's operations will comprise the ongoing operations of the combined entity and its senior management will serve as the senior management of the combined entity, The One Group is considered to have control and therefore is treated as the accounting acquirer and its assets are accounted for at their historical values.

The unaudited pro forma condensed combined balance sheet as of September 30, 2013 combine the unaudited balance sheet of Committed Capital at September 30, 2013 with the unaudited balance sheet of The One Group as of September 30, 2013 giving effect to the Business Combination as if it was consummated on September 30, 2013.

The unaudited pro forma condensed combined statement of operations for the year ended December 31, 2012 includes Committed Capital and The One Group results of operations for the year ended December 31, 2012 as if the Business Combination was consummated on January 1, 2012. The unaudited pro forma condensed combined statement of operations for the nine months ended September 30, 2013 includes Committed Capital and The One Group results of operations for the nine months ended September 30, 2013 as if the Business Combination was consummated on January 1, 2013.

The results of operations of Committed Capital for the year ended December 31, 2012 are derived from the audited financial statements of Committed Capital at December 31, 2012 and for the year then ended. The unaudited balance sheet as of September 30, 2013 and the results of operations for the nine months ended September 30, 2013 of Committed Capital are derived from the unaudited condensed financial statements of Committed Capital as of September 30, 2013 and for the nine months then ended. The results of operations of The One Group for the year ended December 31, 2012 are derived from the audited financial statements of The One Group at December 31, 2012 and for the year then ended. The unaudited balance sheet as of September 30, 2013 and the results of operations for the nine months ended September 30, 2013 of The One Group are derived from the unaudited condensed financial statements of The One Group as of September 30, 2013 and for the nine months then ended.

The unaudited pro forma condensed combined financial statements should be read in conjunction with the historical financial statements and accompanying notes of Committed Capital Acquisition Corporation which are not included in this Form 8-K and the historical consolidated financial statements and accompanying notes of The One Group, LLC, which are included in this Form 8-K.

The historical financial information has been adjusted to give effect to pro forma events that are related and/or directly attributable to the merger, are factually supportable and are expected to have a continuing impact on the combined results. The adjustments presented on the unaudited pro forma condensed combined financial statements have been identified and presented to provide relevant information necessary for an accurate understanding of the combined company upon consummation of the merger.

The unaudited pro forma condensed combined financial statements are provided for illustrative purposes only and do not purport to represent the financial condition or results of operations had the acquisition been completed as of the dates indicated, nor are they necessarily indicative of future consolidated results of operations or financial position.

The transaction calls for: (a) $12,500,000 in cash and 12,631,400 common shares to be paid to the majority members of The One Group LLC for their membership interest, (b) the repayment of all member loans, notes payable, debt to related parties and other liabilities and (c) issuance of 59,000 shares to the new directors. Prior to the merger, on October 15, 2013, 3,375,000 founder shares were cancelled. The Company estimates total transaction costs to be approximately $6,700,000, including $110,000 of expenses related to the placement of shares, in connection with the transaction and a related financing. Of such $12,500,000 in cash noted in (a) above, an aggregate of $750,000 was paid as sign on bonuses to certain executive officers and employees of The One Group LLC in connection with the merger, and the remaining $11,750,000 will be paid to the TOG Members. The $750,000 sign-on bonuses to certain executive officers and employees and the 1,000,000 shares of common stock issued to Jonathan Segal in connection with the merger will be accounted as compensation expense in our December 31, 2013 financial statements.

In connection with the business combination, the Company's initial stockholders (“initial stockholders”) and designees committed to purchase 3,131,339 shares (originally 2,000,000 shares) of common stock at a price of $5.00 per share in a private placement which occurred in connection with the closing of the Company’s business combination.

COMMITTED CAPITAL ACQUISITION CORPORATION

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

Condensed Pro Forma Balance Sheet data:

	September 30, 2013 (unaudited)							
	CCAC	TOG	Pro-Forma Adjustments for Business Combination		As Adjusted for Business Combination	Pro-Forma Adjustment Equity Offering		Pro-For Combin
Assets :								
Cash and cash equivalents		$ 1,316,000	$ -		$ 1,322,000	$ 15,547,000	(j)	$ 16,86
			(469,000	)(d)				
			475,000	(c)				
Accounts receivable, net		3,046,000			3,046,000			3,046,
Inventory		951,000			951,000			951,00
Other current assets		839,000			839,000			839,00
Due from related parties		823,000			823,000			823,00
Total Current Assets	0	6,975,000	6,000		6,981,000	15,547,000		22,52
Investment held in Trust Account	28,792,000		(12,500,000	)(a)	0			-
			(6,700,000	)(a)				
			(9,117,000	)(b)				
			(475,000	)(c)				
Property, plant & equipment, net		13,359,000			13,359,000			13,35
Investments		2,279,000			2,279,000			2,279,
Deferred tax assets		307,000			307,000			307,00
Other assets		930,000			930,000			930,00
Security deposits		986,000			986,000			986,00
Total Assets	$ 28,792,000	$ 24,836,000	$ (28,786,000	)	$ 24,842,000	$ 15,547,000		$ 40,38
Liabilities and Members' Equity								
Cash overdraft		$ 469,000	$ (469,000	)(d)	$ -			$ -
Member loans, current portion		7,377,000	(7,377,000	)(b)	-			-
Notes payable, current portion		320,000	(320,000	)(b)	-			-
Line of credit payable, net of current		4,906,000	(15,000	)(b)	4,891,000			4,891,

Accounts payable		3,839,000			3,839,000			3,839,
Accrued expenses	629,000	2,837,000	(405,000	)(b)	3,061,000			3,061,
Due to related parties	960,000	305,000	(960,000	)(b)	305,000			305,00
Deferred revenue		9,000			9,000			9,000
Total Current Liabilities	1,589,000	20,062,000	(9,546,000	)	12,105,000			12,10
Other long-term liabilities		40,000			9,200,000			9,200,
			(40,000	)(b)				
			9,200,000	(e)				
Deferred rent payable		5,699,000			5,699,000			5,699,
Total liabilities	1,589,000	25,801,000	(386,000	)	27,004,000			27,00
Stockholders'/Members' Equity								
								-
Common stock, $0.0001 par value, 24,946,739 pro forma shares outstanding	1,000				1,000	1,000	(j)	2,000
Additional paid in capital	28,369,000				17,369,000	15,546,000	(j)	32,91
			(16,000,000	)(a)				
			5,000,000	(f)				
Deficit accumulated	(1,167,000)				(22,707,000)			(22,70
			(7,340,000	)(a)				
			(9,200,000	)(e)				
			(5,000,000	)(f)				
THE ONE GROUP, LLC and Subsidiaries and								-
Members' Equity		(4,140,000)	4,140,000	(a)	-			-
Noncontrolling Interest		3,175,000			3,175,000			3,175,
Total Equity	27,203,000	(965,000)	(28,400,000)		(2,162,000)	15,547,000		13,38
Total Liabilities and Stockholders' Equity	$ 28,792,000	$ 24,836,000	$ (28,786,000)		$ 24,842,000	$ 15,547,000		$ 40,38

See notes to pro forma condensed combined financial statements

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COMMITTED CAPITAL ACQUISITION CORPORATION

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

Condensed Pro Forma Statement of Operations:

	For the year ended December 31, 2012 (unaudited)					
	CCAC	**TOG**	**Pro-Forma Adjustments for Business Combination**	**Pro-Forma Combined**	**Pro-Forma Adjustment for Equity Offering**	**As Adjusted for Business Combination and Equity Offering**
Revenues:						
Owned unit net revenues	$ -	$ 56,430,000	$	$ 56,430,000		$ 56,430,000
Management and incentive fee revenue		3,691,000		3,691,000		3,691,000
Total revenue	-	60,121,000		60,121,000		60,121,000
Cost of goods sold		14,263,000				