# Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

**2013**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

**A** This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

**B** This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

**C** If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

**D** Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
ZACHARY'S CHICAGO PIZZA, INC. EMPLOYEE STOCK OWNERSHIP PLAN

**1b** Three-digit plan number (PN) ▶ 002

**1c** Effective date of plan 01/01/2003

**2a** Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)

ZACHARY'S CHICAGO PIZZA, INC.

5801 COLLEGE AVENUE
OAKLAND, CA 94618-1602

**2b** Employer Identification Number (EIN)
94-3028848

**2c** Sponsor's telephone number
510-655-6385

**2d** Business code (see instructions)
722511

**Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.**

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

| | | | |
|---|---|---|---|
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 10/13/2014 | KEVIN SUTO |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | | | |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| **SIGN HERE** | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)

Preparer's telephone number (optional)

**3a** Plan administrator's name and address ☐ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address

ZACHARY'S CHICAGO PIZZA, INC.

5801 COLLEGE AVENUE
OAKLAND, CA 94618-1602

**3b** Administrator's EIN
94-3028848

**3c** Administrator's telephone number
510-655-6385

**4** If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

**a** Sponsor's name

**4b** EIN

**4c** PN

| | | | |
|---|---|---|---|
| **5** | Total number of participants at the beginning of the plan year | **5** | 215 |
| **6** | Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**). | | |
| **a** | Active participants | **6a** | 164 |
| **b** | Retired or separated participants receiving benefits | **6b** | 9 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | 36 |
| **d** | Subtotal. Add lines **6a**, **6b**, and **6c** | **6d** | 209 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** | 0 |
| **f** | Total. Add lines **6d** and **6e**. | **6f** | 209 |
| **g** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 209 |
| **h** | Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 5 |
| **7** | Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
2I 2O 2Q 3I

**b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

**9a** Plan funding arrangement (check all that apply)

| | | |
|---|---|---|
| **(1)** | ☐ | Insurance |
| **(2)** | ☐ | Code section 412(e)(3) insurance contracts |
| **(3)** | ☒ | Trust |
| **(4)** | ☐ | General assets of the sponsor |

**9b** Plan benefit arrangement (check all that apply)

| | | |
|---|---|---|
| **(1)** | ☐ | Insurance |
| **(2)** | ☐ | Code section 412(e)(3) insurance contracts |
| **(3)** | ☒ | Trust |
| **(4)** | ☐ | General assets of the sponsor |

**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

**a Pension Schedules**

| | | |
|---|---|---|
| **(1)** | ☒ | **R** (Retirement Plan Information) |
| **(2)** | ☐ | **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary |
| **(3)** | ☐ | **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary |

**b General Schedules**

| | | |
|---|---|---|
| **(1)** | ☒ | **H** (Financial Information) |
| **(2)** | ☐ | **I** (Financial Information – Small Plan) |
| **(3)** | ☐ | **A** (Insurance Information) |
| **(4)** | ☐ | **C** (Service Provider Information) |
| **(5)** | ☐ | **D** (DFE/Participating Plan Information) |
| **(6)** | ☐ | **G** (Financial Transaction Schedules) |

# SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2013**

**This Form is Open to Public Inspection**

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

**A** Name of plan
ZACHARY'S CHICAGO PIZZA, INC. EMPLOYEE STOCK OWNERSHIP PLAN

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500
ZACHARY'S CHICAGO PIZZA, INC.

**D** Employer Identification Number (EIN)
94-3028848

## Part I Asset and Liability Statement

**1** Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

| Assets | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **a** Total noninterest-bearing cash | 1a | | |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | 447183 | 575968 |
| **(2)** Participant contributions | 1b(2) | | |
| **(3)** Other | 1b(3) | | 1507 |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | 985257 | 1268259 |
| **(2)** U.S. Government securities | 1c(2) | | |
| **(3)** Corporate debt instruments (other than employer securities): | | | |
| **(A)** Preferred | 1c(3)(A) | | |
| **(B)** All other | 1c(3)(B) | | |
| **(4)** Corporate stocks (other than employer securities): | | | |
| **(A)** Preferred | 1c(4)(A) | | |
| **(B)** Common | 1c(4)(B) | | |
| **(5)** Partnership/joint venture interests | 1c(5) | | |
| **(6)** Real estate (other than employer real property) | 1c(6) | | |
| **(7)** Loans (other than to participants) | 1c(7) | | |
| **(8)** Participant loans | 1c(8) | | |
| **(9)** Value of interest in common/collective trusts | 1c(9) | | |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | | |
| **(11)** Value of interest in master trust investment accounts | 1c(11) | | |
| **(12)** Value of interest in 103-12 investment entities | 1c(12) | | |
| **(13)** Value of interest in registered investment companies (e.g., mutual funds) | 1c(13) | | |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| **(15)** Other | 1c(15) | | |

| | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **1d** Employer-related investments: | | | |
| **(1)** Employer securities | 1d(1) | 13381000 | 15877000 |
| **(2)** Employer real property | 1d(2) | | |
| **e** Buildings and other property used in plan operation | 1e | | |
| **f** Total assets (add all amounts in lines 1a through 1e) | 1f | 14813440 | 17722734 |
| **Liabilities** | | | |
| **g** Benefit claims payable | 1g | 12722 | |
| **h** Operating payables | 1h | 782 | 4370 |
| **i** Acquisition indebtedness | 1i | | |
| **j** Other liabilities | 1j | | |
| **k** Total liabilities (add all amounts in lines 1g through1j) | 1k | 13504 | 4370 |
| **Net Assets** | | | |
| **l** Net assets (subtract line 1k from line 1f) | 1l | 14799936 | 17718364 |

## Part II Income and Expense Statement

**2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

| Income | | (a) Amount | (b) Total |
|---|---|---|---|
| **a Contributions:** | | | |
| **(1)** Received or receivable in cash from: **(A)** Employers | 2a(1)(A) | 576000 | |
| **(B)** Participants | 2a(1)(B) | | |
| **(C)** Others (including rollovers) | 2a(1)(C) | | |
| **(2)** Noncash contributions | 2a(2) | | |
| **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 576000 |
| **b Earnings on investments:** | | | |
| **(1)** Interest: | | | |
| **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | 924 | |
| **(B)** U.S. Government securities | 2b(1)(B) | | |
| **(C)** Corporate debt instruments | 2b(1)(C) | | |
| **(D)** Loans (other than to participants) | 2b(1)(D) | | |
| **(E)** Participant loans | 2b(1)(E) | | |
| **(F)** Other | 2b(1)(F) | | |
| **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 924 |
| **(2)** Dividends: **(A)** Preferred stock | 2b(2)(A) | | |
| **(B)** Common stock | 2b(2)(B) | | |
| **(C)** Registered investment company shares (e.g. mutual funds) | 2b(2)(C) | | |
| **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 0 |
| **(3)** Rents | 2b(3) | | |
| **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | | |
| **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | | |
| **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | 0 |
| **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate | 2b(5)(A) | | |
| **(B)** Other | 2b(5)(B) | 2512646 | |
| **(C)** Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)** | 2b(5)(C) | | 2512646 |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| (6) Net investment gain (loss) from common/collective trusts | 2b(6) | | |
| (7) Net investment gain (loss) from pooled separate accounts | 2b(7) | | |
| (8) Net investment gain (loss) from master trust investment accounts | 2b(8) | | |
| (9) Net investment gain (loss) from 103-12 investment entities | 2b(9) | | |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) | 2b(10) | | |
| c Other income | 2c | | 5974 |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | 3095544 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 172363 | |
| (2) To insurance carriers for the provision of benefits | 2e(2) | | |
| (3) Other | 2e(3) | | |
| (4) Total benefit payments. Add lines **2e(1)** through **(3)** | 2e(4) | | 172363 |
| f Corrective distributions (see instructions) | 2f | | |
| g Certain deemed distributions of participant loans (see instructions) | 2g | | |
| h Interest expense | 2h | | |
| i Administrative expenses: (1) Professional fees | 2i(1) | | |
| (2) Contract administrator fees | 2i(2) | | |
| (3) Investment advisory and management fees | 2i(3) | | |
| (4) Other | 2i(4) | 4753 | |
| (5) Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 4753 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 177116 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line **2j** from line **2d** | 2k | | 2918428 |
| l Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | |
| (2) From this plan | 2l(2) | | |

## Part III Accountant's Opinion

**3** Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

**a** The attached opinion of an independent qualified public accountant for this plan is (see instructions):

**(1)** [X] Unqualified **(2)** [ ] Qualified **(3)** [ ] Disclaimer **(4)** [ ] Adverse

**b** Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [ ] Yes [X] No

**c** Enter the name and EIN of the accountant (or accounting firm) below:

**(1)** Name: RINA ACCOUNTANCY CORPORATION **(2)** EIN: 94-3158857

**d** The opinion of an independent qualified public accountant is **not attached** because:

**(1)** [ ] This form is filed for a CCT, PSA, or MTIA. **(2)** [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

## Part IV Compliance Questions

**4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

| | | Yes | No | Amount |
|---|---|---|---|---|
| **a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.) | 4a | | X | |
| **b** Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.) | 4b | | X | |

| | | | Yes | No | Amount |
|---|---|---|---|---|---|
| c | Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) | 4c | | X | |
| d | Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) | 4d | | X | |
| e | Was this plan covered by a fidelity bond? | 4e | X | | 1000000 |
| f | Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | 4f | | X | |
| g | Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4g | | X | |
| h | Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4h | | X | |
| i | Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) | 4i | X | | |
| j | Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.) | 4j | | X | |
| k | Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? | 4k | | X | |
| l | Has the plan failed to provide any benefit when due under the plan? | 4l | | X | |
| m | If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | 4m | | X | |
| n | If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. | 4n | | X | |

**5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ **Yes** ☒ **No** **Amount:**

**5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

| **5b(1)** Name of plan(s) | **5b(2)** EIN(s) | **5b(3)** PN(s) |
|---|---|---|
| | | |
| | | |
| | | |
| | | |

**5c** If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ..... ☐ Yes ☐ No ☐ Not determined

## Part V Trust Information (optional)

| **6a** Name of trust | **6b** Trust's EIN |
|---|---|
| | |

# SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2013**

**This Form is Open to Public Inspection.**

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

**A** Name of plan
ZACHARY'S CHICAGO PIZZA, INC. EMPLOYEE STOCK OWNERSHIP PLAN

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500
ZACHARY'S CHICAGO PIZZA, INC.

**D** Employer Identification Number (EIN)
94-3028848

## Part I Distributions

**All references to distributions relate only to payments of benefits during the plan year.**

**1** Total value of distributions paid in property other than in cash or the forms of property specified in the instructions ..... **1** 0

**2** Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 94-3028848 _____

**Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.**

**3** Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year ..... **3**

## Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

**4** Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

**If the plan is a defined benefit plan, go to line 8.**

**5** If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

**If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.**

**6 a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) ..... **6a**

**b** Enter the amount contributed by the employer to the plan for this plan year ..... **6b**

**c** Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) ..... **6c**

**If you completed line 6c, skip lines 8 and 9.**

**7** Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

**8** If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

## Part III Amendments

**9** If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☒ **No**

## Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

**10** Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☒ **No**

**11 a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☒ **No**

**b** If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☒ **No**

**12** Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☒ **Yes** ☐ **No**

## Part V Additional Information for Multiemployer Defined Benefit Pension Plans

**13** Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

**14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

| | | |
|---|---|---|
| **a** The current year | **14a** | |
| **b** The plan year immediately preceding the current plan year | **14b** | |
| **c** The second preceding plan year | **14c** | |

**15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

| | | |
|---|---|---|
| **a** The corresponding number for the plan year immediately preceding the current plan year | **15a** | |
| **b** The corresponding number for the second preceding plan year | **15b** | |

**16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

| | | |
|---|---|---|
| **a** Enter the number of employers who withdrew during the preceding plan year | **16a** | |
| **b** If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers | **16b** | |

**17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

## Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

**18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

**19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

**a** Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

**b** Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

**c** What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

# ZACHARY'S CHICAGO PIZZA, INC.
# EMPLOYEE STOCK OWNERSHIP PLAN

## FINANCIAL STATEMENTS

## DECEMBER 31, 2013 AND DECEMBER 31, 2012

RINA
accountancy corporation

# ZACHARY'S CHICAGO PIZZA, INC.
# EMPLOYEE STOCK OWNERSHIP PLAN

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## DECEMBER 31, 2013 AND DECEMBER 31, 2012


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## Independent Auditors' Report

Administrative Committee
Zachary's Chicago Pizza, Inc.
Employee Stock Ownership Plan

### Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Zachary's Chicago Pizza, Inc. Employee Stock Ownership Plan (the Plan), which comprise the statement of net assets available for benefits as of December 31, 2013 and December 31, 2012 and the related statement of changes in net assets available for benefits for the year ended December 31, 2013 and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material aspects, the net assets available for benefits of Zachary's Chicago Pizza, Inc. Employee Stock Ownership Plan as of December 31, 2013 and December 31, 2012, and the related statements of changes in net assets available for benefits for the year ended December 31, 2013 in accordance with accounting principles generally accepted in the United States of America.

**Report on Supplemental Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental schedule of assets held for investment is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

RINA Accountancy Corporation

Certified Public Accountants

Walnut Creek, California
October 10, 2014

# ZACHARY'S CHICAGO PIZZA, INC.
# EMPLOYEE STOCK OWNERSHIP PLAN

## STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

| | December 31, 2013 | December 31, 2012 |
|---|---|---|
| ASSETS: | | |
| Investment in plan sponsor common stock, at fair value | $ 15,877,000 | $ 13,381,000 |
| Investment in mutual funds | 1,190,193 | - |
| Cash | 78,066 | 985,257 |
| Receivable from employer | 575,968 | 447,183 |
| TOTAL ASSETS | 17,721,227 | 14,813,440 |
| LIABILITIES: | | |
| Benefits and withholding taxes payable | 2,863 | 13,505 |
| NET ASSETS AVAILABLE FOR BENEFITS | $ 17,718,364 | $ 14,799,935 |

See notes to financial statements.

# ZACHARY'S CHICAGO PIZZA, INC.
# EMPLOYEE STOCK OWNERSHIP PLAN

## STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

## YEAR ENDED DECEMBER 31, 2013

| | | |
|---|---|---|
| ADDITIONS: | | |
| Employer contributions | | $ 576,000 |
| Interest and dividend income | | 35,893 |
| Net appreciation in fair value of investments | | 2,477,677 |
| TOTAL ADDITIONS | | 3,089,570 |
| DEDUCTIONS: | | |
| Benefit distributions | $ 166,388 | |
| Administrative fees | 4,753 | 171,141 |
| NET INCREASE | | 2,918,429 |
| NET ASSETS AVAILABLE FOR BENEFITS: | | |
| Beginning of year | | 14,799,935 |
| End of year | | $ 17,718,364 |

See notes to financial statements.

# ZACHARY'S CHICAGO PIZZA, INC.
# EMPLOYEE STOCK OWNERSHIP PLAN

## NOTES TO FINANCIAL STATEMENTS – DECEMBER 31, 2013 AND DECEMBER, 31 2012

### Note 1. GENERAL DESCRIPTION OF PLAN:

Stock Ownership Plan:

On January 1, 2003, Zachary's Chicago Pizza, Inc., (the Company) established the Zachary's Chicago Pizza, Inc. Employee Stock Ownership Plan (the Plan). The Plan is qualified under Section 401(a) of the Internal Revenue Code of 1986 (Code), and as an employee stock ownership plan under Section 4975(e)(7) of the Code and Section 407(d)(6) of the Employee Retirement Income Security Act of 1974 (ERISA).

The Plan was created to enable participating Employees to share in the growth and prosperity of Zachary's Chicago Pizza, Inc., and to provide participants with an opportunity to accumulate capital for their retirement needs.

The financial statements of the Plan present separately the assets and liabilities and changes therein pertaining to the accounts of the employees with allocated stock (Allocated) and stock not yet allocated to employees (Unallocated), if any.

The following description of the Plan provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

The Plan covers all of the employees of Zachary's Chicago Pizza, Inc. with the exception of those employees covered by a collective bargaining agreement unless the terms of the agreement specifically provide coverage of such employee under the Plan. Employees are eligible to participate in the Plan if they have completed one year of service (1,000 hours). An employee becomes a participant in the Plan retroactively to the first day of the Plan Year (each January 1) during the Plan Year in which the employee has completed one year of service.

Contributions and allocations:

The Plan is a defined contribution plan for which the Company may contribute annually an amount in cash and/or in shares of Zachary's Chicago Pizza, Inc. stock as determined by the Company's board of directors. Available cash may then be used to purchase the Company's capital stock at the fair market value as determined by one or more independent appraisers. Contributions to the Plan are limited to amounts deductible on the plan sponsor's federal income tax return. For the year ended December 31, 2013, Zachary's Chicago Pizza, Inc. contributed $576,000

Each participant's account is credited with an allocation of plan sponsor contributions, plan investment activity, forfeitures of terminated participants' non-vested account balances, and administrative expenses.

Only those participants who are eligible employees of the Company as of the last day of the Plan year will receive an allocation. Participants are allocated shares based on their covered compensation for that year in proportion to all participants covered compensation for the year.

**NOTES TO FINANCIAL STATEMENTS – DECEMBER 31, 2013 AND DECEMBER, 31 2012**

**Note 1. GENERAL DESCRIPTION OF PLAN (Continued):**

Diversification:

A participant who has attained age 55 and completed ten years of participation in the Plan has the right to elect to "diversify" a portion of the balance in his Company Stock Account into non Zachary stock as follows: between years 10 through 15 participants may diversify up to 25% of their account balance and after 15 years up to 50% of the account balance may be diversified.

Vesting and forfeitures:

Participants vest in their allocated account balances upon completion of three years of service at 20% and increase in 20% increments for the next four years fully vesting upon completion of seven years of service for benefits allocated before January 1, 2007. Participants vest in their allocated account balances upon completion of two years of service at 20% and increase in 20% increments for the next four years fully vesting upon completion of six years of service for benefits allocated after January 1, 2007. Forfeitures of participant's non-vested account balances are reallocated to the remaining participants. Participants become 100% vested in the event of normal retirement, disability or death while employed with the plan sponsor.

Put option:

Participants who receive a distribution of Company stock have the right to "put" the stock to the Company at any time during two option periods. The first option period is the initial 60 days beginning on the date of distribution. The second option period is the 60 days beginning after the new determination date of fair value for the Company stock, typically the end of the plan year. The option price is the appraised value of the Company stock as of the allocation date immediately preceding the beginning of each put option period. The put option is payable in either a lump sum cash payment or annual installments with interest not to exceed five years. Partial exercise of a put option is not permitted.

Distributions:

The Plan provides for the distribution of the participant's stock and other investment account at retirement, disability, death, or termination of employment. For distributions other than termination of employment, a participants' account balance will be distributed no later than the allocation date of the plan year following the plan year in which his retirement, disability or death occurred. For distributions associated with termination of employment, account balances will be distributed no later than the allocation date of the sixth plan year following the plan year in which the service was terminated. Distributions are also subject to limitations related to participant's accounts which have a value greater than $800,000, in which case distributions will happen for one additional year for every $160,000 of additional value but not to exceed five additional years. Distributions shall be in the form of cash or Company common stock paid as a lump sum or in equal installments over a period not to exceed five years except as mentioned above.

Administrative expenses:

The Company pays some administrative expenses of the Plan. Expenses paid by the Plan relate to investment advice and other administrative expenses of the Plan.

# ZACHARY'S CHICAGO PIZZA, INC.
# EMPLOYEE STOCK OWNERSHIP PLAN

## NOTES TO FINANCIAL STATEMENTS – DECEMBER 31, 2013 AND DECEMBER, 31 2012

**Note 1. GENERAL DESCRIPTION OF PLAN (Continued):**

Voting rights:

Shares of Zachary's Chicago Pizza, Inc. stock shall be voted in the manner as determined by the trustee of the Plan. The trustees of the Plan shall vote in accordance with the instructions from the Plan Committee. In the event of any corporate matter which would constitute a merger, consolidation, reclassification, liquidation or other related activity as specified under Section 409(e)(3) of the Code, each participant who has been allocated shares of stock may instruct the trustee as to the voting of those shares.

**Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

Method of accounting:

The Plan presents its financial statements on the accrual method of accounting with its assets reflected at fair value in accordance to accounting principles generally accepted in the United States of America and in accordance with ERISA.

Investment valuation and income recognition:

All of the Plan's assets are stated at fair value. An independent appraiser appointed by the trustees of the plan has determined the fair value of Zachary's Chicago Pizza, Inc. common stock using accepted investment, financial and valuation criteria. Changes in fair value are recognized currently and are recorded as unrealized appreciation or depreciation. When shares are transferred from "unallocated" to "allocated" they are transferred at the current year's fair value.

Mutual funds are included in the financial statements at fair value as reported to the Plan by Charles Schwab. Shares are stated at quoted market value. Gains and losses on investments are recognized in the period in which the appreciation or depreciation occurs. The Plan presents in the statement of changes in net assets available for benefits the net appreciation (depreciation) in fair value of investments, which consists of the net realized gains or losses and unrealized appreciation or depreciation on those investments.

Cash and cash equivalents:

Cash equivalents are considered to be short-term, highly liquid investments with original maturities of three months or less.

Subsequent events:

The Administrative Committee has evaluated subsequent events through October 10, 2014, the date which the financial statements were available for issue.

**Note 3. NATURE OF ESTIMATES:**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTES TO FINANCIAL STATEMENTS – DECEMBER 31, 2013 AND DECEMBER, 31 2012**

**Note 4. CONCENTRATIONS OF CREDIT RISK:**

Financial instruments that potentially subject the Plan to concentrations of credit risk consist principally of plan sponsor's common stock and cash. The Plan places its cash with high credit quality financial institutions. At times, the account balances may exceed the institution's federally insured limits. The Plan has not experienced any losses in such accounts.

The Plan invests in various investment options in any one of a combination of mutual funds that invest in stocks, bonds, fixed income securities and other investment securities. These investments are exposed to various risks, such as credit, interest rate and market. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

**Note 5. FAIR VALUE MEASUREMENTS:**

The framework for measuring fair values provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

| | |
|---|---|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access. |
| Level 2 | Inputs to the valuation methodology include<br>• quoted prices for similar assets or liabilities in active markets;<br>• quoted prices for identical or similar assets or liabilities in inactive markets;<br>• inputs other than quoted prices that are observable for the asset or liability;<br>• inputs that are derived principally from or corroborated by observable market data by correlation or other means.<br><br>If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability. |
| Level 3 | Inputs to the valuation methodology are unobservable and significant to the fair value measurement. |

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2013 and 2012.

Mutual funds are valued at the daily closing price as reported by the fund.

**Note 5. FAIR VALUE MEASUREMENTS (Continued):**

The fair value of the Zachary's Chicago Pizza, Inc. common stock held by the plan is valued at estimated fair value based upon an independent appraisal. This appraisal was based upon a combination of the market and income valuation techniques consistent with prior years. The appraiser took into account historical and projected cash flow and net income, return on assets, return on equity, market comparables and estimated fair value of company assets and liabilities.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, the fair value hierarchy, the Plan's assets and liabilities at fair value as of December 31, 2013 and 2012:

**Assets at Fair Value as of December 31, 2013**

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Investment in sponsor common stock | $ - | $ - | $ 15,877,000 | $ 15,877,000 |
| Mutual funds | 1,190,193 | - | - | 1,190,193 |
| Assets at fair value | $ 1,190,193 | $ - | $ 15,877,000 | $ 17,067,193 |

**Assets at Fair Value as of December 31, 2012**

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Investment in sponsor common stock | $ - | $ - | $ 13,381,000 | $ 13,381,000 |
| Mutual funds | - | - | - | - |
| Assets at fair value | $ - | $ - | $ 13,381,000 | $ 13,381,000 |

**Note 5. FAIR VALUE MEASUREMENTS (Continued):**

***Level 3 Gains and Losses:***

The following table sets forth a summary of changes in the fair value of the Plan's level 3 assets for the years ended December 31, 2013 and December 31, 2012:

**Level 3 Assets**
**Year Ended December 31, 2013**

| | Investment in Sponsor Common Stock |
|---|---|
| Balance, beginning of year | $ 13,381,000 |
| Unrealized gains/losses relating to instruments still held at the reporting date | 2,496,000 |
| Balance, end of year | $ 15,877,000 |

**Level 3 Assets**
**Year Ended December 31, 2012**

| | Investment in Sponsor Common Stock |
|---|---|
| Balance, beginning of year | $ 13,196,000 |
| Unrealized gains/losses relating to instruments still held at the reporting date | 185,000 |
| Balance, end of year | $ 13,381,000 |

***Qualitative Information about Significant Unobservable Inputs Used in Level 3 Fair Value Measurements***

The following table represents the Plan's level 3 financial instruments, the valuation techniques used to measure the fair value of those financial instruments, and the significant unobservable inputs and the ranges of values for those inputs.

| Instrument | Fair Value | Principal Valuation Technique | Unobservable Inputs | Rate Applied |
|---|---|---|---|---|
| Sponsor Common Stock | $ 15,877,000 | Capitalized earnings (pre tax) | Capitalization rate | 29.96% |
| | | Buildup capitalization rate | Capitalization rate | 19.5% |
| | | Book value approach | Book value multiple | 3.17 |
| | | Revenues multiple | Revenues multiple | 1.74 |

# ZACHARY'S CHICAGO PIZZA, INC.
# EMPLOYEE STOCK OWNERSHIP PLAN

## NOTES TO FINANCIAL STATEMENTS – DECEMBER 31, 2013 AND DECEMBER, 31 2012

**Note 6. INCOME TAX STATUS:**

The Plan has received a determination letter from the Internal Revenue Service dated July 24, 2014, stating that the Plan is qualified, under the Internal Revenue Code (IRC) and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification.

The Plan recognizes the financial statement benefit of an uncertain tax position only after considering the probability that a tax authority would sustain the position in an examination. For tax position meeting a "more-likely-than-not" threshold, the amount recognized in the financial statements is the benefit expected to be realized upon settlement with the tax authority. For tax positions not meeting the threshold, no financial statement benefit is recognized. As of December 31, 2013, the Plan has had no uncertain tax position. The Plan recognizes interest and penalties, if any, related to uncertain tax positions as income tax expense. Annual returns are generally subject to examination by federal taxing authorities for three years.

**Note 7. INVESTMENTS:**

The Plan's investments are held in a separate trust and invested in cash, mutual funds and Zachary's Chicago Pizza, Inc. common stock. The Plan assets at December 31, 2013 and December 31, 2012 are summarized as follows:

| | 2013 | 2012 |
|---|---|---|
| | All Allocated | All Allocated |
| * Zachary's Chicago Pizza, Inc. common shares: | | |
| Number of shares | 2,000 | 2,000 |
| Fair value | $ 15,877,000 | $ 13,381,000 |
| Cost | $ 10,094,726 | $ 10,094,726 |
| Cash | $ 78,066 | $ 985,257 |
| Mutual funds – Fair value | $ 1,190,193 | $ - |

* Represented 5% or more of the Plan's net assets

**Note 8. PLAN TERMINATION:**

The Company has established the Plan with the express intention and expectation that it will continue the Plan. However, if circumstances make it impossible or inadvisable to continue the Plan, the Company reserves the right to terminate it at any time subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts. Benefits will be held in the trust fund which will remain in existence until the Capital Accumulations of all participants have been distributed.

# ZACHARY'S CHICAGO PIZZA, INC.
# EMPLOYEE STOCK OWNERSHIP PLAN

## SUPPLEMENTAL INFORMATION

# ZACHARY'S CHICAGO PIZZA, INC.
# EMPLOYEE STOCK OWNERSHIP PLAN

**PLAN NUMBER - 002, EIN 94-3028848**

**SCHEDULE OF ASSETS HELD FOR INVESTMENT**

**FORM 5500 - Schedule H, Part IV, Line 4i**
**(Required by ERISA Sec. 103(b) (3) (c))**

**AS OF DECEMBER 31, 2013**

| (a) | (b) Identity of Issuer | (c) Description of Investment | (d) Cost | (e) Current Value |
|---|---|---|---|---|
| * | Zachary's Chicago Pizza, Inc. Stock | 2,000 shares of common stock | $ 10,094,726 | $ 15,877,000 |
| | Berwin Income Fund | Mutual Fund | 313,978 | 305,628 |
| | FPA New Income | Mutual Fund | 296,277 | 294,532 |
| | Doubleline Core Fixed | Mutual Fund | 121,945 | 120,674 |
| | Angel Oak Multi Strategy | Mutual Fund | 119,399 | 120,255 |
| | PIMCO Total Return Fund | Mutual Fund | 121,396 | 119,798 |
| | PIMCO Fundamental Advtg | Mutual Fund | 122,894 | 118,049 |
| | Janus Flexible BD FD CL | Mutual Fund | 109,079 | 107,710 |
| | Schwab Govt Money Fund | Mutual Fund | 3,547 | 3,547 |
| | Total investments | | $ 11,303,241 | $ 17,067,193 |

* Represents a party in interest to the Plan

See notes to financial statements.

**Attachment to 2013 Form 5500**
**Schedule H, line 4i - Schedule of Assets (Held at End of Year)**

**Plan Name** ZACHARY'S CHICAGO PIZZA, INC. EMPLOYEE STOCK OWNERSHIP PLAN **EIN:** 94-3028848
**Plan Sponsor's Name** ZACHARY'S CHICAGO PIZZA, INC. **PN:** 002

| (a) | (b) Identity of issue, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value. | (d) Cost | (e) Current value |
|---|---|---|---|---|
| * | ZACHARY'S CHICAGO PIZZA, INC. | 2,000 SHARES OF COMMON STOCK | 10,094,726 | 15,877,000 |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |