

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	Chapter 11
)	
REAL MEX RESTAURANTS, INC., <i>et al.</i> ,)	Case No. 11-13122 (BLS)
)	
)	(Jointly Administered)
Debtors. ¹)	
)	

**NOTICE OF FILING AND POSTING OF
BIDDERS' PROPOSED ADEQUATE ASSURANCE PACKAGES**

PLEASE TAKE NOTICE that, in accordance with the *Order (A) Approving Bid Procedures, (B) Approving Cure Procedures, (C) Establishing Date for Auction and Approving Related Procedures, (D) Scheduling Sale Hearing and Related Deadlines, (E) Approving Form and Manner of Notices, and (F) Granting Related Relief* (the "Bid Procedures Order") [Docket No. 393], the above-captioned debtors have attached hereto the following:

- (i) Exhibit A: Adequate Assurance Package provided by RM OPCO LLC; and
- (ii) Exhibit B: Adequate Assurance Package provided by RCIH LLC.

PLEASE TAKE FURTHER NOTICE that a copy of this notice also will be posted to the website maintained by the Debtors' noticing agent: www.realmexinfo.com.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each of the Debtors' federal tax identification numbers, are: Real Mex Restaurants, Inc. (2902); RM Restaurant Holding Corp. (2217); Acapulco Mark Corp. (3570); Acapulco Restaurant of Downey, Inc. (2910); Acapulco Restaurant of Moreno Valley, Inc. (4606); Acapulco Restaurant of Ventura, Inc. (3626); Acapulco Restaurant of Westwood, Inc. (1162); Acapulco Restaurants, Inc. (4897); ALA Design, Inc. (8584); Chevys Restaurants, LLC (2992); CKR Acquisition Corp. (8287); El Paso Cantina, Inc. (0112); El Torito Franchising Company (2754); El Torito Restaurants, Inc. (7059); Murray Pacific (1596); Real Mex Foods, Inc. (8585); and TARV, Inc. (8081). The Debtors' headquarters and mailing address is: 5660 Katella Avenue, Suite 100, Cypress, CA 90630.

Dated: January 30, 2012

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EXHIBIT A



REDACTED FOR PUBLICATION

RM Opco LLC

Real Mex Restaurants, Inc.

Adequate Assurance Package

January 2012

Real Mex Restaurants: Adequate Assurance Package

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Sale Process – Adequate Assurance

- On October 4, 2011 (the “Petition Date”), Real Mex Restaurants, Inc. and certain of its affiliates (collectively, the “Debtors”) filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the “Court”). The Debtors’ chapter 11 cases are being jointly administered before the Court as Case No. 11-13122.
- The Debtors determined, with Court approval, to sell substantially all of their assets to maximize and preserve the value of their business. Consequently, the Debtors, with the assistance of their investment bankers, commenced a comprehensive marketing process to identify bidders for the Debtors’ assets pursuant to Court-approved sale and bidding procedures.

Controlling Investors

- In connection with the Court-approved sale, certain of the Debtors' pre-petition secured noteholders (the "Noteholders"), including investment funds managed by Tennenbaum Capital Partners, LLC ("TCP"), JP Morgan Investment Management Inc. ("JPM") and Z Capital, L.L.C. ("Z Capital") collectively the "Controlling Investors", established RM Opco LLC ("RM Opco") as a vehicle to acquire substantially all of the Debtors' assets. ^[1]
- RM Opco has been declared the successful purchaser for the assets, and upon consummation of the transaction, RM Opco will be owned by the Noteholders. The Controlling Investors will own approximately 85% of the equity interests in RM Holdco LLC ("RM Holdco"), which owns 100% of RM Opco.
- The purpose of this presentation is to provide adequate assurance of RM Opco's ability to perform its obligations under contracts and leases to be assumed by the Debtors and assigned to RM Opco and/or its affiliates under the Asset Purchase Agreement ("APA").

[1] For more information on the Controlling Investors, please see Appendix 3.

Improvements to Existing Business

- RM Opco will remain headquartered in Cypress, California, and will continue to be a leading operator of casual dining restaurants in the Mexican food category including well-known concepts such as El Torito, Chevy's, and Acapulco, as well as two specialty concepts—El Torito Grill and Las Brisas—and Real Mex Foods, Inc., which manufactures specialty food products.
- To provide a stable transition to new ownership, RM Opco will assume a number of liabilities as specified in the APA, including:
 - Many normal and ordinary course post-petition trade liabilities to suppliers;
 - Certain liabilities and accruals to existing employees who become employees of RM Opco;
 - Gift card liabilities to customers;
 - Remaining liabilities (if any) to critical vendors; and
 - Post-closing liabilities and cure amounts with respect to those executory contracts and unexpired leases that are assumed and assigned to RM Opco or its affiliates.
- RM Opco intends to continue the Debtors' current brand re-imaging campaign, including implementing new menus and marketing initiatives for each of the Real Mex core brands, and offering value priced, quality food throughout all of its brands.
- RM Opco will be a robust partner with a strong balance sheet. The new company will have a more profitable store base, lower cost structure, and improved cash flow that will fund future growth.



Improvements to Existing Business (cont'd)

THIS PAGE HAS BEEN REDACTED TO PROTECT
CONFIDENTIAL AND COMMERCIAL
SENSITIVE INFORMATION. ADDITIONAL
INFORMATION SHALL BE AVAILABLE TO
PARTIES UPON EXECUTION OF A MUTUALLY
ACCEPTABLE CONFIDENTIALITY AGREEMENT.

Projected Financial Information

- Through the bankruptcy process, Real Mex has:
 - Closed unprofitable store locations (approximately 40 closed or slated to be closed from January 2011 through January 2012).
 - Renegotiated leases across the store portfolio.
 - Improved efficiency, information flow and cost management as a result of implementing new technology platforms (e-Restaurants).
 - Improved manufacturing and distribution business performance by exiting mispriced contracts and unprofitable products.
 - Implemented strategic initiatives to improve guest experiences at its restaurants and drive sales growth.



Appendix 1: Projected Income Statement

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Appendix 2: Debt Structure and Ratios

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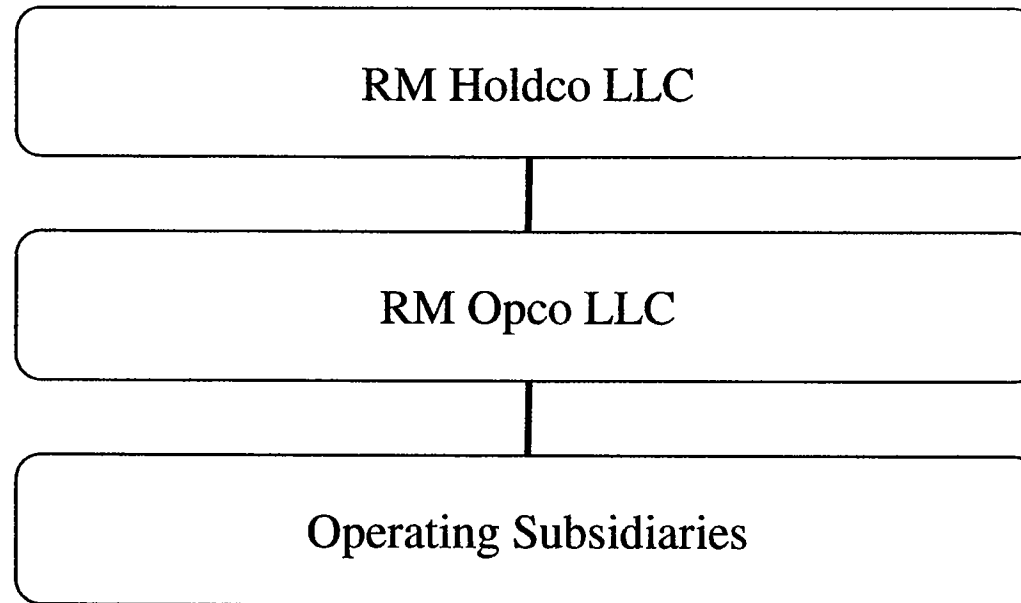
Appendix 2: Debt Structure and Ratios (Cont'd)

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Appendix 3: Controlling Investors

- RM Holdco owns 100% of RM Opco.
- Approximately 85% of the equity of RM Holdco will be held by funds owned or managed by the Controlling Investors. The Controlling Investors will not be directly or indirectly liable for the obligations of RM Opco or RM Holdco, including the obligations under any contracts or leases.
 - TCP is a leading multi-strategy alternative investment management firm. Since the firm's founding in 1999, TCP has invested \$10 billion in approximately 200 portfolio companies through its credit opportunities strategy. Today, the firm has capital under management of approximately \$5 billion. TCP's principals have significant experience crafting unique solutions throughout the capital structure of both publicly-traded and privately-held companies. TCP's funds have invested over \$100 million in companies in the restaurant industry.
 - Z Capital is a leading privately held distressed middle market private equity firm founded by a group of highly experienced investment professionals. Z Capital's investors include prominent global endowments, financial institutions, pension funds, insurance companies, foundations, family offices and wealth management firms. Z Capital is renowned for working with management to enhance enterprise value through operational and strategic initiatives.
 - JPM is a subsidiary of JPMorgan Chase & Co. and operates under the name J.P. Morgan Asset Management ("JPMAM"). As of September 30, 2011, JPMAM has assets under management of approximately \$1.2 trillion, with over 50 locations worldwide. JPMAM is one of the leading U.S. institutional private equity managers and has a proven investment process and performance record refined over 25 years.
- The remaining 15% of the equity of RM Holdco will be owned, *pro rata*, by the remaining holders of Debtors' prepetition 14% Senior Secured Notes Due 2013.

Appendix 4: Corporate Structure



Forward Looking Statements

This presentation contains forward looking statements about RM Opco. These forward looking statements are based on the data included in the Debtors' Confidential Information Memorandum dated October 2012, with updates for additional store closures determined after that date and actual restaurant performance in the 4th quarter of 2011. Furthermore, these forward-looking statements are based on assumptions by the Debtors' management regarding RM Opco's business and performance, the economy and other future conditions and forecasts of future events, circumstances and results. As with any projection or forecast, they are inherently susceptible to uncertainty and changes in circumstances. RM Opco's actual results may vary materially from those expressed or implied in its forward-looking statements. Important factors that could cause the RM Opco's actual results to differ materially from those in its forward-looking statements include government regulation, economic, strategic, political and social conditions. Any forward-looking statements made by RM Opco speak only as of the date on which they are made; RM Opco is under no obligation to, and expressly disclaims any obligation to, update or alter its forward-looking statements, whether as a result of new information, subsequent events or otherwise.

Contact for Additional Information

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EXHIBIT B

EXHIBIT B

Adequate Assurance Information

A. Harshad Dharod, sole member of Purchaser

Harshad Dharod, as trustee of his family trust, is the sole member and, individually, manager of RCIH LLC ("Purchaser"). Mr. Dharod has extensive experience working in, managing, and owning restaurants. From 1987 through 2000, Mr. Dharod owned and operated 19 Jack-in-the-Box restaurants in Southern California as owner and President of Sun Gir Inc, Harshad&Nasir Inc, and DFG Restaurants Inc. He directed over 400 employees engaged in all aspects of restaurant operation, customer service, sale and promotion planning. Mr. Dharod's restaurants consistently outperformed other franchises, and he was successful in dramatically increasing sales in new locations.

Since 2000, Mr. Dharod has served as President and owner of Friendly Franchisees Corporation ("FFC"; www.ffcorp.org), the management company for Senior Classic Leasing LLC, Sun Gir Inc, Harshad&Nasir Inc, DFG Restaurants Inc, Papa John's Pizza Inc, PJ's 2000 Inc, and DWO LLC – all entities for which he is also owner and President. FFC, through the above-identified affiliated, owns and operates 63 Carl's Jr. Restaurants, 12 Papa John's Restaurants, and 18 Denny's restaurants. FFC's annual revenue exceeds \$140 million. FFC employs over 4,000 employees engaged in all aspects of restaurant operations, including customer service, sales and promotion planning. Mr. Dharod also is a key consultant to Carl Karcher Enterprises, Inc. for company-wide marketing and new product proposals.

Mr. Dharod is supported at FFC by the following individuals:

B. Alex Kalinsky, General Counsel

Alex has served as General Counsel to FFC for the last 6 years. He has over 8 years of experience in all facets of employment law, focusing on class action, discrimination, and harassment issues. He also has significant experience in contract law, real estate law, and torts. Mr. Kalinsky holds a Bachelor's Degree in Economics from the University of California, Los Angeles (UCLA) and a Juris Doctorate degree from New York University School of Law.

C. Phil Herman, Controller

Phil joined Friendly Franchisees Corporation in March 2010 as Controller and now manages the Finance and Accounting department for the company. Phil received his BA in Accounting and Finance and MBA in International Business from CSUF Fullerton, CA (summa cum laude) and his CMA and CFM certifications from the IMA (2nd and 3rd highest worldwide scores). He has over 20 years experience as a CFO or Controller in industries such as Manufacturing, Construction/Property Development, Maintenance, Aerospace, Banking, and Insurance. Phil has worked for companies such as United Technologies (NYSE:UTX), Firth Rixson (Private owned by Oak Hill), The Resolution Trust Corporation (agency of FSLIC), Price Waterhouse, and several smaller private companies.

D. Rajesh Jolly, Executive Advisor

Rajesh has been Executive Advisor to Friendly Franchisees for the last three years. Rajesh is a global business leader with diverse experience in industries ranging from chain restaurants to travel/transportation, from consumer products to business services. He has a general management background with a unique blend of operational, marketing, finance, and human resource skills. Rajesh has been a senior executive at some of America's top business icons – FedEx, Regus Group, Budget Group, Wendy's, PepsiCo, Taco Bell and Pizza Hut. His recent positions have been SVP of Regus Group, President of FedEx Kinko's International, and COO of Budget Group where he directly led P&L's exceeding \$2.5 billion in revenues.

Rajesh has a track record in achieving sustainable results in emerging markets such as the Pacific Rim, India, the Middle East and Latin America, as well as in developed markets such as North America and Europe. His métier is achieving rapid growth and profitability in difficult economic and cultural environments, as well as strategic and financial turnarounds. He attended University in India and the U.S and has a degree in Economics, an MBA, and a Fellowship from the National Institute of Bank Management in India.

E. Rajeev Chopra, HR Development/Financial Affairs

Rajeev has been working closely on various projects with Harshad Dharod/Friendly Franchisees Corporation for the last 3 years. Rajeev holds MBA in International Business and a Doctorate in Human Resources Development. Since 1977, he has been helping organizations worldwide to achieve their organizational goals and objectives. Rajeev helps organizations understand and apply the strategies to compete in the marketplace and grow. His major field of expertise is Business & Management Development. He has written several handbooks in the area of Human Resources Development, Marketing Management, Management Development and Financial Management.

F. John Fox, Financial Consultant

As senior advisor, John has managed restaurant projects for clients involving Burger King, Carl's Jr., Jack in the Box, Carl's Jr., Applebee's, Denny's, Wendy's, all the YUM brands, Johnny Carino's, Ground Round, Papa John's and Chi-Chi's. John has established franchise mortgage systems for several national lenders, helped manage the loan syndications group at Shell Capital and was National Sales Manager for a nationwide lender for retail petroleum sites. Over the years, John has closed deals in excess of \$1Billion and has successfully assisted over 400 clients. John has extensive experience in all aspects of franchising and franchise lending.

John holds a Bachelor of Science degree from the University of Wisconsin and holds a Real Estate broker's license. His affiliations include the International Council of Shopping Centers, International Franchise Association, San Diego Board of Realtors, American Industrial Real Estate Association.

G. Rand Ferris, Operational Consultant

Rand has over 30 years experience as a restaurant operator and business executive. Prior to starting his consulting business, he spent 11 years as a senior operating executive at IHOP, a premier, publicly held, international, full service restaurant company. Before joining IHOP in 1996, he worked for 17 years at an executive level in a diverse range of organizations, including a family owned restaurant and retail business, foreign owned retail/concession business, and a privately held saloon and restaurant business. In these roles, he was responsible for sales building, operational execution, and continuous development and improvement within those organizations.

Rand helps organizations to identify and target solutions and goals for the enhancement of the business and bottom line. After a successful career developing extraordinary teams and driving continuous improvement, Rand now coaches and advises other people on how to achieve the same success. Rand received an MBA degree from the Anderson School of Business at UCLA

H. Naldy Illagan, Director of Operations, Carl's Jr. Restaurants

Naldy has over 25 years of Restaurant Management experience; he has held many top level positions at CKE Restaurants and FFC, rising to Director of Operations in 2011.

I. Jose Fong, Director of Operations, Papa John's

Jose joined Friendly Franchisees Corporation in 2001 and has been successfully operating FFC's Papa John's restaurants. He has over 30 years experience in the food industry.

J. Parth Mehta, Director of Operations, Real Estate Division

Parth joined Friendly Franchisees Corporation in 2003 and has been successfully managing FFC Real Estate Portfolio.

K. Shawn Rezaei, Director of Operational Support and Project Manager

Shawn joined Friendly Franchisees Corporation in 2009. As Director of Operational Support, he has been successfully assisting Restaurant operations as well managing key operational projects. Shawn has over 20 years of experience in managing and operating Restaurants nationwide. He has held many senior level positions with several National Restaurant Brands such as Daphne's Greek Café, Papa Gino's as well with a Retailer like JC Penny.

II. Operational Plan

Purchaser intends to operate the RealMex Restaurants to be acquired using a significant number of the current management and employees, just as Mr. Dharod and FFC have operated other restaurants they have previously acquired. Purchaser is making this acquisition for

strategic purposes to hold, operate and grow the company, and has no intention of briefly operating the company and then reselling. Purchaser also intends to invest and expand current operations to ensure the success of the acquired restaurants, following the same path to success as Mr. Dharod has achieved with his many other restaurant holdings.