

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

Michael Tate, Joseph Shuster, Lyle
Evanson and Jack Ayers, individually
and on behalf of all other individuals
similarly situated,

Civil No. 09-cv-02076 MJD/JJG

Plaintiffs,

v.

Restaurant Technologies, Inc.,
Parthenon Capital LLC, Jeffrey R.
Kiesel, John C. Rutherford, Jonathan
O. Grad, Zachary F. Sadek, Phillip A.
Clough, and Robert E. Weil,

Defendants.

**ORDER PRELIMINARILY APPROVING SETTLEMENT AND APPROVING
FORM AND MANNER OF NOTICE**

WHEREAS, Plaintiffs (on behalf of themselves and, to the full extent permissible, the Class Members), have entered into a Stipulation of Settlement dated as of September 27, 2010 (the "Stipulation") with Defendants that is subject to review and approval under Rule 23 of the Federal Rules of Civil Procedure and that, together with the exhibits thereto, sets forth the terms and conditions for the proposed settlement and the dismissal of the Litigation with prejudice; and the Court having read and considered the Stipulation and the accompanying documents including Plaintiffs' Motion seeking preliminary approval of settlement including conditional certification of the Class, appointment of Plaintiffs as Class Representatives, appointment of Class Counsel and

approval of a form and manner of notice; and the parties to the Stipulation having consented to entry of this Order; and all capitalized terms used herein having the same meanings set forth in the Stipulation;

NOW, THEREFORE, IT IS HEREBY ORDERED:

1. The Court hereby certifies for settlement purposes a class pursuant to Fed.

R. Civ. P. 23(b)(3), defined as follows:

All individuals and entities who held RTI common stock or Series A preferred stock as of June 12, 2009 and all individuals or entities holding options to purchase RTI common stock as of May 13, 2009.

Excluded from the Class are the individual Defendants and members of their immediate families; Defendant RTI and its current officers and directors, legal representatives and financial representatives; Defendant Parthenon Capital LLC and ABS Capital Partners and their affiliates, subsidiaries and individuals affiliated with those entities. Also excluded from the Class with respect to their ownership of options canceled in the 2009 recapitalization, are individual employees of RTI who received options pursuant to a plan adopted on September 3, 2009.

2. In conditionally certifying the Class for settlement purposes, the court expressly finds that the requirements of Fed. R. Civ. P. 23(a) and 23(b)(3) are satisfied because: (a) the Class is so numerous that joinder of all members is impractical; (b) there are questions of law and fact common to all members of the Class; (c) the claims of the Plaintiffs are typical of the claims of the members of the Class; (d) Plaintiffs will fairly and adequately protect the interests of the members of the Settlement Class; (e) common questions of law and/or fact predominate over questions affecting only individual

Settlement Class Members; and (f) a class action is superior to all other available methods for fair and efficient adjudication of the controversy.

3. The Court also finds that the named Plaintiffs are adequate to serve as Class Representatives and that the Anthony Ostlund Baer & Louwagie P.A. and Lockridge Grindal Nauen P.L.L.P. firms are qualified to serve as Class Counsel.

4. The Court preliminarily finds, subject to hearing from any persons objecting at the Settlement Hearing noted below, that the terms of the settlement as set forth in the Stipulation are fair, reasonable, and adequate to the Class and should be approved by the Court and Judgment as provided under the Stipulation should be entered.

5. A Final Settlement Hearing, pursuant to Fed. R. Civ. P. 23(e), shall be held before the Court on November 29, 2010, at 9:00 a.m., in Courtroom 15E of the United States Courthouse, District of Minnesota, 300 South Fourth Street, Minneapolis, Minnesota:

- (a) to hear from any Class Members or persons wishing to be excluded from the Class as to any objections regarding the terms of the settlement and, after due consideration of any such objections, to determine whether the settlement terms should be finally approved;
- (b) to determine whether the proposed Plan of Allocation for distributing the settlement proceeds among Class Members should be approved by the Court;
- (c) to determine the amount of fees and expenses to be awarded to Counsel;
- (d) to determine whether to make any award to the named Plaintiffs; and
- (e) to rule upon such other matters as the Court may deem appropriate.

6. The Court approves, in form and content, the Notice of Proposed Settlement of Class Action and Hearing Regarding Settlement (the "Notice"), annexed to

this Order, and finds that first class mailing and internet posting of this notice in the manner and form set forth herein meets the requirements of Rule 23 of the Fed. R. Civ. P., due process, the rules of this Court, and any other applicable law, and is the best notice practicable under the circumstances and shall constitute due and sufficient notice to all persons entitled thereto.

7. Counsel for Plaintiffs shall ensure that the Notice shall reflect the proper postmark date, and may make ministerial changes necessary to ensure a proper mailing but that none of the material elements in the Notice change before the Notice is distributed to interested parties.

8. The firm of Analytics Inc. is hereby appointed Claims Administrator to supervise and administer distribution of the Notice process as well as process claims as more fully set forth in the Stipulation if final approval is granted.

9. (a) Within ten (10) days of the date of this Order (i) a copy of the Notice shall be mailed by first class mail to each member of the Class to the extent shown by the records of RTI, and (ii) the Stipulation and all exhibits thereto shall be posted on the Internet at <http://www.aoblaw.com/news/newsline.html>.

(b) At or prior to November 19, 2010, Counsel shall file with the Court, proof, by affidavit or declaration, of such mailing and evidence of the posting on the internet site.

10. Any person falling within the definition of the Class may be excluded from the Class by complying, on or before November 12, 2010, with the instructions and procedures set forth in Section VIII of the Notice regarding exclusion from the Class.

Any member of the Class who has not requested to be excluded from the Class in the manner set forth in Section VIII of the Notice may, but is not required to, enter an appearance in this Litigation *pro se* or through counsel of his, her or its own choice. Any member of the Class who does not enter an appearance shall be represented by Counsel.

11. Any member of the Class who has not requested to be excluded from the Class and who wants to object to the approval of the settlement, the application by Counsel for an award of attorneys' fees and expenses, or the proposed Plan of Allocation or Plan of Distribution may do so by appearing at the Settlement Hearing either in person or through an attorney and presenting evidence or by filing a written objection consisting of a clear statement of the nature of the objection and such other materials supporting to the objection as they wish.

As set forth in Section VII of the Notice, in order to appear at the Settlement Hearing or otherwise object to the settlement, any such Class Member must file a written notice of objection with the Clerk of the Court on or before November 12, 2010. This written objection must also be served by hand delivery, first class mail, or facsimile to the parties set forth in Section VIII of the Notice. Any Class Member who intends to object to the approval of the settlement on the terms set forth in the Stipulation, the application by Counsel for an award of attorneys' fees and expenses, or the proposed Plan of Allocation, and who desires to present evidence at the Settlement Hearing, must include in his, her or its written objections the identity of any witnesses he, she or it may call to testify, and any exhibits he, she or it intends to introduce into evidence at the Settlement Hearing. Any Class Member who does not make his, her, or its objection in

the manner provided for herein shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to the fairness, reasonableness, or adequacy of the proposed settlement as incorporated in the Stipulation, the proposed Plan of Allocation, the awards to Counsel of attorneys' fees and expenses or any reimbursement of expenses of Plaintiffs, unless otherwise ordered by the Court.

12. Neither Defendants nor their counsel shall have any responsibility for the Plan of Allocation or Plan of Distribution or any application for attorneys' fees or reimbursement of expenses submitted by Counsel or Plaintiffs, and such matters will be considered separately from the fairness, reasonableness and adequacy of the proposed settlement.

13. All proceedings in this action are stayed until further order of the Court, except as may be necessary to implement the settlement or comply with the terms of the settlement.

14. If this settlement is finally approved by the Court, all members of the Class for whom timely, valid and complete requests for exclusion from the Class have not been submitted in accordance with the provisions of Section VIII of the Notice shall conclusively be deemed to have dismissed with prejudice all claims asserted against the Defendants in the Litigation and to have, and by operation of a Final Judgment shall have: (i) fully, finally, and forever released all the Released Claims; (ii) covenanted not to sue any of the Released Persons or otherwise to assert, directly or indirectly, any of the Released Claims against any of the Released Persons; and (iii) agreed to be forever barred and enjoined from doing so, in any court of law or equity, or in any other forum.

The foregoing release excludes claims for breach of the Stipulation or any agreement made therein.

15. Pending the final determination of the fairness, reasonableness, and adequacy of the proposed settlement, no member of the Class (which excludes those for whom timely, valid and complete requests for exclusion from the Class have been submitted) may, either directly, representatively, or in any other capacity, prosecute, institute, or commence any individual, class, or derivative action with respect to the Released Claims against any of the Released Persons.

16. The Court reserves the right to approve the settlement with such modifications as may be agreed to by the Parties, if appropriate, without further notice to Class Members, and retains jurisdiction to consider all further applications arising out of or connected with the proposed settlement, as well as any applications for awards of fees and expenses to counsel to the Class.

17. Pursuant to the Stipulation, if this matter is finally approved by the Court, the Court will retain jurisdiction to ensure compliance with the terms of the settlement.

18. The Claims Administrator, subject to such supervision of the Court and/or Counsel as may be necessary or as circumstances may require, shall provide notice to the Class and administer the distribution of the proceeds of the settlement in accordance with a Plan of Distribution as approved by the Court. All reasonable costs incurred in identifying and notifying Class Members as well as in administering the Settlement Fund shall be paid as set forth in the Stipulation.

19. All funds held by the Escrow Agent shall be deemed and considered to be in *custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court. Neither Defendants nor their counsel shall have any responsibility for the handling of the funds held by the Escrow Agent.

20. Any application by Counsel for attorneys' fees and expenses and reimbursement of the Plaintiffs' expenses shall be filed with the Court and served by or before November 1, 2010.

21. All papers and affidavits relating to the mailing of the Notice, the number of individuals/entities excluding themselves, the number of individuals filing claims, and any comments on any objections shall be filed by the parties no later than November 19, 2010.

22. This Order be posted on the internet site referred to in the Notice.

DATED: September 30, 2010

s/ Michael J. Davis
CHIEF JUDGE MICHAEL J. DAVIS
UNITED STATES DISTRICT COURT

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

Michael Tate, Joseph Shuster, Lyle
Evanson and John Ayers, individually
and on behalf of all other individuals
similarly situated,

Civil No. 09-cv-02076 MJD/JJG

Plaintiffs,

vs.

**NOTICE OF PROPOSED
SETTLEMENT OF CLASS ACTION
AND HEARING REGARDING
SETTLEMENT**

Restaurant Technologies, Inc.,
Parthenon Capital LLC, Jeffrey R.
Kiesel, John C. Rutherford, Jonathan
O. Grad, Zachary F. Sadek, Phillip A.
Clough and Robert E. Weil,

Defendants.

TO: All individuals and entities who held Restaurant Technologies, Inc. (“RTI”) common stock or Series A preferred stock as of June 12, 2009 and all individuals or entities holding options to purchase RTI common stock as of May 13, 2009 (the “Class”).¹

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS MAY BE AFFECTED BY PROCEEDINGS IN THIS ACTION. PLEASE NOTE THAT IF YOU ARE A MEMBER OF THE CLASS YOU MAY BE ENTITLED TO SHARE IN THE PROCEEDS OF THE SETTLEMENT FUND DESCRIBED IN THIS NOTICE. TO CLAIM YOUR SHARE OF THIS FUND, YOU MUST SUBMIT A VALID PROOF OF CLAIM AND RELEASE POSTMARKED OR FAXED ON OR BEFORE NOVEMBER 12, 2010.

¹ By receiving this notice, you are most likely included in the Class, although certain persons and entities who held RTI stock or options are excluded from the Class. *See* Section IV below. To confirm whether or not you are included in the Class, you may go to the following website: <http://www.aoblaw.com/news/newsline.html>.

I. PURPOSE OF THIS NOTICE

The purpose of this Notice is to inform you of the settlement of the class action, *Tate, et al. v. Restaurant Technologies, Inc., et al*, No. 09-cv-02076 MJD/JJG, which is currently pending in United States District Court for the District of Minnesota (the “Litigation”). The matter was filed by Michael Tate, Joseph Shuster, Lyle Evanson and John Ayers (hereinafter collectively referred to as “Plaintiffs”) on behalf of themselves and all others similarly situated against Restaurant Technologies, Inc. (“RTI”), Parthenon Capital LLC, Jeffrey R. Kiesel, John C. Rutherford, Jonathan O. Grad, Zachary F. Sadek, Phillip A. Clough and Robert E. Weil (hereinafter collectively referred to as “Defendants”). This Notice describes the rights you may have in connection with the settlement and what steps you may take in relation to the settlement and the Litigation. The settlement creates a minimum fund of \$5.5 million with the potential for additional amounts if RTI is sold prior to June 1, 2013 for an amount in excess of \$170 million. Section VI below sets forth the estimated distribution on a per share basis to Class Members under various scenarios.

This Notice is given pursuant to Rule 23 of the Federal Rules of Civil Procedure and pursuant to an Order of the Court. The purpose of this Notice is to inform you of your rights with regard to (1) the proposed settlement of the above-captioned lawsuit; and (2) a hearing scheduled to be held on November 29, 2010 at 9:00 a.m. before the Honorable Michael Davis at the United States District Courthouse at 300 South Fourth Street, Minneapolis, Minnesota (the “Final Settlement Hearing”). This Notice is not an

expression of any opinion by the Court about the merits of any of the claims or defenses asserted by any party in the Litigation.

The Final Settlement Hearing will determine whether the proposed settlement is fair, reasonable, adequate and in the best interests of the Class; will approve or disapprove of the planned allocation of settlement proceeds among the Class members proposed by Plaintiffs; and will consider the application of Class Counsel for an award of attorneys' fees and costs, and the application for an incentive award for the Plaintiffs as Class Representatives as well as reimbursement to individual members of the Class who made monetary contributions to help fund the litigation. The Court may continue or reschedule the hearing without sending you another notice, so check with the Court before making arrangements to attend the hearing.

II. DEFINITIONS USED IN THIS NOTICE

1. "Claims Administrator" means Analytics, Incorporated an independent claims administrator selected by Class Counsel and appointed by the Court.

2. "Class" means all individuals and entities who held RTI common stock or Series A preferred stock as of June 12, 2009 and all individuals or entities holding options to purchase RTI common stock as of May 13, 2009. Excluded from the Class are all Defendants and their affiliates, the present officers and directors of RTI and their immediate families, RTI's legal representatives and financial representatives, and ABS Capital Partners and its affiliates. Also excluded from the Class, with respect to their ownership of options canceled in the 2009 reorganization, are individual employees of RTI who subsequently received options pursuant to a plan adopted on September 3, 2009.

Also excluded from the Class are those persons who request exclusion from the Class in such form and manner, and within such time, as the Court shall prescribe.

3. “Class Member” or “Member of the Class” means a person who falls within the definition of the Class, and “Class Members” means all such persons.

4. “Class Counsel” means Anthony, Ostlund, Baer & Louwagie P.A. and Lockridge Grindal Nauen P.L.L.P.

5. “Defendants” means RTI, Parthenon Capital LLC and the Individual Defendants.

6. “Final Settlement Approval” means an order and judgment by the United States District Court for the District of Minnesota finally approving the terms of this Stipulation pursuant to Fed. R. Civ. P. 23(e).

7. “Individual Defendants” means Jeffrey R. Kiesel, John C. Rutherford, Jonathon O. Grad, Phillip A. Clough, Zachary F. Sadek and Robert E. Weil.

8. “Litigation” means the Class Action and the Appraisal Action.

9. “Net Settlement Fund” means the Settlement Fund less the amount allocated to Counsel for attorneys’ fees and expenses pursuant to any Fee and Expense Application approved by the Court.

10. “Parties” means, collectively, each of the Defendants and the Plaintiffs (on behalf of themselves and the Class Members).

11. “Plaintiffs” means Michael Tate, Joseph Shuster, Jack Ayers and Lyle Evanson.

12. “Plan of Allocation” means a plan or formula of allocation of the Settlement Fund whereby the Net Settlement Fund shall be allocated to Class Members.

13. “Released Claims” means any and all claims, demands, rights, liabilities and causes of action of every nature and description whatsoever (including, but not limited to, all claims for damages, interest, attorneys’ fees and expert consulting fees and all other costs, expenses and liabilities whatsoever), whether based at law or in equity, on federal, state, local, foreign, statutory or common law or on any other law, rule, or regulation (including, but not limited to, all claims arising out of or relating to any acts, omissions, disclosures, financial statements, audit opinions, or statements by the Defendants, including without limitation, claims for negligence, constructive or actual fraud, negligent misrepresentation, conspiracy, or breach of fiduciary duty), whether known or unknown, accrued or not accrued, foreseen or unforeseen, matured or not matured, that were asserted or that could have been asserted directly, indirectly, representatively or in any other capacity, at any time, in any forum by Plaintiffs against the Released Persons arising out of, based upon, or related in any way to: (a) the purchase, holding or acquisition of any securities of RTI by any Class Member, the allegations that were made or could have been made in the Litigation and any of the facts, transactions, events, occurrences, disclosures, statements, acts, omissions or failures to act which were or that could have been asserted by Plaintiffs in the Litigation, and any and all other claims that Plaintiffs did or could have raised against Defendants in their capacity as equityholders in RTI; or (b) the settlement or resolution of the Litigation.

This term is broadly defined to include unknown claims under certain circumstances and

is set forth in more detail in the Stipulation of Settlement which is available for review at:

<http://www.aoblaw.com/news/newsline.html>.

14. “Released Persons” means the Defendants, their past or present directors, managers, officers, partners, members, employees, controlling shareholders, present and former attorneys, consultants, accountants or auditors, banks or investment banks, advisors, agents, personal or legal representatives, lenders, insurers, reinsurers, predecessors, successors, parents, subsidiaries, divisions, assigns, spouses, heirs, devisees, executors, trustees, administrators, or related or affiliated entities, any partnership in which a Defendant is a general or limited partner, any entity in which a Defendant has a controlling interest, any entity in which a Defendant is a managing member, any member of an Individual Defendant’s immediate family, or any trust or foundation of which any Defendant is the settlor or which is for the benefit of any Individual Defendant and/or member(s) of his or her family. Insurers providing director and officer insurance coverage to present and former directors and officers of RTI are included in the definition of Released Persons.

15. “RTI” means Restaurant Technologies, Inc., together with any and all predecessors, successors, subsidiaries, and affiliates.

III. THE LITIGATION

A. Plaintiffs’ Assertions and Defendants’ Denials

RTI provides bulk cooking oil management to restaurants through a unique distribution device which permits RTI to supply cooking oil efficiently to high volume users of cooking oil, and to also pick up used oil (“yellow grease”) and recycle it. RTI

enjoys contracts with McDonald's, Burger King, Jack in the Box, McCormick & Schmick's, Chili's and numerous other high volume users of cooking oils.

Plaintiffs allege that Defendant Parthenon Capital LLC took control of RTI sometime before 2004 and utilized that control to the detriment of other RTI shareholders by, among other things, diverting RTI's equity to itself. Plaintiffs assert this occurred through a number of preferred stock offerings and culminated in a 2009 recapitalization which froze out RTI common shareholders and underpaid Series A preferred shareholders. Plaintiffs also allege that Defendants acted in concert and elevated their own interests above those of other RTI shareholders to whom they owed fiduciary duties. Plaintiffs have also asserted that the Proxy Materials used in connection with the 2009 recapitalization contained false and misleading statements, omitted to state material facts necessary to make the statements made not misleading and failed to properly advise RTI shareholders of their ability to pursue certain appraisal rights.

Defendants deny all alleged wrongdoing and contend that their conduct was at all times legal and was in the best interest of RTI. Defendants also contend that without the financial support of Defendant Parthenon Capital LLC and other private equity firms, RTI may not have survived. Defendants also contend that, even if a jury was to determine that some act or failure to act took place in connection with the 2009 recapitalization, that Plaintiffs suffered no damage given the financial condition of RTI at that time. The Court has not ruled on the merits of any of the claims or defenses. This Notice is not an expression of any opinion by the Court about the merits of any of the claims or defenses asserted by any party in the Litigation.

SOME RELEVANT PUBLICLY-FILED PLEADINGS RELATED TO THIS MATTER ARE AVAILABLE FOR YOUR REVIEW AT:
<http://www.aoblaw.com/news/newsline.html>
IF YOU DESIRE MORE DETAILED INFORMATION AS TO THIS MATTER, YOU ARE ENCOURAGED TO EXAMINE THE POSTED MATERIAL.

B. Settlement Through a Mediation Process

In June 2010 the parties commenced a mediation process employing a former district court judge as a mediator. The mediation process occurred over a series of weeks with the parties eventually reaching an agreement on a settlement framework that was proposed by the mediator. At the time the parties reached agreement on the proposed settlement, pre-trial discovery was nearing completion. Counsel for both parties exchanged and reviewed hundreds of thousands of pages of documents produced by the parties and by third parties, consulted with experts, and participated in over 30 depositions. As a result of this investigation and discovery, all parties had obtained significant knowledge regarding the strength and weaknesses of the claims and defenses in this case. The parties incorporated this knowledge into settlement negotiations and are now recommending approval of the settlement.

Class Counsel believes that the recovery obtained is in the best interests of the Class (as defined herein). Because of the risks associated with continuing the litigation and proceeding to trial, there was a danger that Plaintiffs would not have prevailed on any of their claims, in which case the Class would have received nothing. Indeed, Defendants assert that they did not breach any fiduciary duties, never made any false or misleading statements or omissions at any time, and did not engage in any other wrongdoing. If the

Litigation were tried, Defendants intended to assert that the 2009 recapitalization was fair and that given the valuation for RTI at the time, the Class was not entitled to any damages. Defendants also would have asserted that many of Plaintiffs' claims were derivative and should be dismissed under applicable law.

IV. CLASS MEMBERSHIP

On March 31, 2010, Plaintiffs filed a motion seeking Court approval of the people who would be considered members of the Class (a motion to certify the Class). The Class proposed by Plaintiffs included holders of RTI common stock, RTI preferred stock and holders of unexercised options to purchase RTI common stock. The proposed Class excluded Defendants, current officers and directors of RTI, members of their immediate family and their legal representatives, financial representatives, heirs, successors and assigns, Parthenon Capital LLC and ABS Capital LLC and their affiliates as well as holders of Series B-1 and B-2 preferred stock issued by RTI. As of the time of the settlement, the Court had not formally "certified," or ruled upon, class membership.

The Court has now preliminarily approved for purposes of settlement, a settlement class, has appointed Class Counsel and has approved the Plaintiffs as Class Representatives.² The Class definition for purposes of the settlement is slightly different than that which was proposed earlier and is as follows:

All individuals and entities who held RTI common stock or Series A preferred stock as of June 12, 2009 and all individuals or entities holding options to purchase RTI common stock as of May 13, 2009 (the "Class"). Excluded

² To review the Court's Order preliminarily approving the settlement and approval of the Form and Manner of Notice, visit <http://www.aoblaw.com/news/newsline.html>.

from the Class are the individual Defendants and members of their immediate family; Defendant RTI and its current officers and directors, legal representatives and financial representatives; Defendant Parthenon Capital LLC, ABS Capital Partners and their affiliates, subsidiaries and individuals affiliated with those entities. Also excluded from the Class, with respect to their ownership of options canceled in the 2009 recapitalization, are individual employees of RTI who subsequently received options pursuant to a Plan adopted on September 3, 2009.

Plaintiffs assert that determinations as to who should be included as members of the settlement class were made based upon (1) ownership of RTI shares or options and (2) considerations of fairness and equity.

V. THE PROPOSED SETTLEMENT

A brief summary of the terms of the Settlement Agreement (a copy of which is available at the website referenced above and is also on file with the Court) is as follows:

1. Defendants will pay the Class \$2.55 million cash; \$1.275 million of this amount will be put into trust upon preliminary approval of the Settlement and \$1.275 million will be paid into trust upon final approval of the Settlement;
2. Defendants have represented to Plaintiffs that RTI has retained an investment banking firm to assist in its efforts to sell the company and it intends to pursue that effort in good faith. There is no guarantee a sale will be consummated nor is there a guaranteed timetable for such a sale. Nonetheless, based in part upon the representation of a possible sale:
 - a. RTI will issue a \$1.55 million note payable to the Class by June 1, 2013 or upon the sale of RTI, whichever is earlier, which note is to be subordinated to certain pre-existing RTI debts and will bear a 3% interest rate;
 - b. RTI will also issue a \$1.40 million note payable to the Class (also subordinated to certain pre-existing debt and paying 3% interest rate), which note will be payable the earlier of the closing of an RTI sale or June 1, 2014. This note will be deemed fully satisfied in the

event of a sale closing before June 1, 2013 for a gross sales price in excess of \$150 million, in which case the Class (as designated) will be paid 7% of all amounts over \$150 million in connection with a sale in full satisfaction of such note. However, in no event will the Class receive less than the \$1.40 million amount reflected by the note and may receive additional sums if the sale of RTI occurs before June 1, 2013 and the gross sales price for RTI exceeds \$170 million.

As summarized above, the minimum payment by the Defendants will be \$5.5 million (dependent upon RTI's credit for \$2.95 million of that amount payable over time pursuant to the notes). Because Plaintiffs may receive a percentage of the proceeds from any sale of RTI, in lieu of the second note identified in paragraph 2b above, the settlement amount may ultimately be an amount in excess of \$5.5 million. Again, there is no guarantee a sale will be consummated nor is there a guaranteed timetable for such a sale.

Because of the nature and timing of payments, the Settlement Agreement requires ongoing jurisdiction of the Court and provides for monitoring of the financial position of RTI and the sales process by the Plaintiffs or their representatives. Under the terms of the Settlement Agreement, the parties will ask the Court to retain jurisdiction over this matter until all the terms of the Settlement Agreement have been fully satisfied.

THE PROPOSED SETTLEMENT IS A COMPROMISE OF DISPUTED LEGAL CLAIMS. IT IS NOT AN ADMISSION OF LIABILITY BY ANYONE AND DOES NOT MEAN THAT THE COURT HAS FOUND LIABILITY FOR ANY OF THE CLAIMS BY PLAINTIFFS.

VI. PLAN OF ALLOCATION AND PLAN OF DISTRIBUTION

The Class consists of certain holders of RTI common stock, RTI preferred stock and option holders. The four named Plaintiffs collectively have interests in each of these groups. The Class excludes Defendants, certain RTI officers and Board members, investment banking firms, and financial institutions³ For a list of who is in the Class and who is excluded from the Class go to : <http://www.aoblaw.com/news/newsline.html>.

If the proposed settlement is approved by the Court and becomes final, the money generated by the settlement will be distributed pursuant to a Plan of Allocation and Plan of Distribution approved by the Court. The Plan of Allocation being proposed by Plaintiffs is set forth below:

- a. Costs. All out-of-pocket costs will be paid out of the initial \$2.55 million cash payment. Total out-of-pocket costs in this matter are expected to be in the range of \$200,000 by the time of the Final Settlement Hearing. These costs will be itemized and filed with the Court in connection with a Fee Petition and an Incentive Award Petition to be filed approximately two weeks after your receipt of this Notice and prior to the Final Settlement Hearing.

A portion of the out-of-pocket costs were paid by approximately 40 individual members of the class who made contributions to help pay these costs as the litigation progressed. In addition to being reimbursed for helping fund the litigation, Plaintiffs are recommending that a pool of \$25,000 be set aside and divided among these individuals on a basis proportional to their monetary contribution in acknowledgement of the risk taken by these individuals in assisting with the funding of the litigation.

- b. Class Representative Incentive Fee. The four named Plaintiffs each participated in the litigation through monitoring and consultation, communications with Class members, attending depositions,

³ The Class is made up of approximately 260 individuals/entities holding 329,455 shares of Class A preferred stock, 1,251,015 shares of RTI common stock and 275,000 options.

answering interrogatories, producing documents, attending hearings and raising funds to support the litigation. A cumulative amount of \$35,000 is being proposed by Class Counsel in acknowledgment of the efforts undertaken by the four named Plaintiffs with respect to the litigation. The request for this award will be filed with the Court in connection with a Fee Petition to be filed approximately two weeks after the mailing of this Notice and prior to the Final Settlement Hearing.

- c. Attorneys' Fees. Class Counsel will be seeking an attorneys' fee award in an amount not to exceed 29% of the total recovery to the Class. If a sale of RTI occurs for more than \$190 million, Class Counsel intends to seek a reduced sum of 27% of amounts received by the Class resulting from a sale over \$190 million and intends to recommend a further reduction to 23% of any amounts received by the Class from a sale over \$200 million. This request for an attorneys' fee award will be set forth in a Fee Petition to be filed with the Court approximately two weeks after the mailing of this Notice and prior to the Final Settlement Hearing.
- d. Division of Net Proceeds.
 - i. *Option Holders.* The option holders who are members of the Class hold approximately 275,000 options with exercise prices ranging from \$5 per share to \$27 per share. These options were extinguished at the time of the 2009 recapitalization. Under the minimum \$5.5 million settlement, the amounts per share being returned to the common and preferred shareholders are considerably less than the lowest exercise price (\$5) of the RTI options. See discussion in Section VI.d.ii below. Under these circumstances, the Plaintiffs/Class representatives (two of whom hold options) do not feel that an allocation of proceeds to option holders is appropriate. In the event there is a sale of RTI in excess of certain levels, the Plaintiffs have determined that a pool of money should be made available to the option holders. Specifically, Plaintiffs are recommending as part of the Plan of Allocation that if a sale of RTI takes place above \$200 million, a portion of the proceeds to go to the Class as a whole should be set aside for option holders in an amount of \$10,000 for every \$1 million in excess of the \$200 million floor. For example, a sale of RTI for \$215 million would make \$150,000 available for distribution to option holders.

Conversely, a sale of less than \$200 million, or no sale at all, would generate no return for option holders. There can be no assurance that a sale of RTI will occur, when a sale may occur or what value a sale may generate.

Further, Plaintiffs believe that if a pool becomes available for the option holders in the future, the pool should be divided as follows:

34% to those holding options exercisable at \$5 and \$10.

33% to those holding options exercisable at \$15 and \$19.

33% to those holding options exercisable at \$23 or \$27.

Any amounts would be divided on a per option held basis.

- ii. *RTI Preferred and Common Stockholders.* Plaintiffs' proposed allocation of the Net Settlement Fund for the RTI preferred and common shareholders is based on an analysis which considered investment amounts, Plaintiffs' argument that the 2009 recapitalization was not a liquidation event and gave no preference rights to RTI preferred shareholders, the amounts actually received by RTI preferred shareholders in the 2009 recapitalization, the types of equitable relief that a court could administer and the respective strengths and weaknesses of the legal position of the RTI preferred shareholders and the RTI common shareholders. Plaintiffs are proposing the following:

(1) Minimum \$5.5 Million Settlement

In the event that no sale of RTI occurs or a sale occurs for less than \$170 million, the gross value of the settlement is \$5.5 million. After a deduction for fees and costs as proposed above, the following approximate amounts would be distributed to RTI preferred and common shareholders:

\$2.92 per preferred share

\$2.14 per common share

These amounts may vary depending on the accrual of interest on the notes, the number of people who opt out of the Class, the number of people who return their claim forms, the actual (instead of estimated) out-of-pocket costs incurred, interest on the money held in trust for the Class, whether the Court awards the fees described above, and other factors. However, the above represents Plaintiffs' best estimate of the amount to be paid to RTI preferred and common shareholders comprising the Class assuming the minimum \$5.5 million settlement.

(2) Other Potential Recoveries

If a sale of RTI takes place before June 2013 and if the sale is in excess of \$170 million, then Class members could receive a return greater than that set forth above. Below are calculations assuming a sale of RTI at different amounts.

If RTI sells for \$190 million, the Class may expect to receive monies in the following range:

\$3.73 per preferred share
\$2.72 per common share

If RTI sells for \$200 million, the Class may expect to receive monies in the following range:

\$4.17 per preferred share
\$3.01 per common share

Plaintiffs cannot project exact recoveries under the settlement and can only provide estimates/ranges of potential outcomes because it is uncertain whether a sale will occur and, if so, what the sale price of RTI will be. Presumably, the higher the price obtained by RTI in a sale, the greater the potential recovery. However, these are best estimates which could vary based on a number of other factors including the accrual of interest on

the notes, the number of persons who opt out of the Class, the number of people who return Claim Forms, the actual out-of-pocket expenses incurred and the amount of any fees which the Court may award.

If this matter is approved at the Final Settlement Hearing, as part of its Plan of Distribution Plaintiffs are proposing to pay out-of-pocket costs and a portion of attorneys' fees out of the initial \$2.55 million cash proceeds while holding the remaining amount in trust for distribution to the Class. If the sale of RTI appears likely to occur on or before June 30, 2011, it is Plaintiffs' current intention to not do a partial distribution, but to wait until all proceeds are received pursuant to the settlement. If, however, it appears that a sale is unlikely to occur before that date, then the Plaintiffs may elect to do a partial, preliminary distribution to the Class. This could be subject to change depending on the circumstances surrounding the potential sale of RTI and Class Members would be prudent to not have an expectancy of the receipt of their portion of this recovery at a specific time.

VII. PARTICIPATION IN THE CLASS

If you do not request to be excluded from the Class in the manner specified in Section VIII below, you are a Class Member and will be bound by any judgment entered with respect to the settlement in the Litigation whether or not you submit a Proof of Claim and Release form. **If you are a Class Member, you need do nothing other than timely file a properly completed Proof of Claim and Release form if you wish to participate in the distribution of the Net Settlement Fund. Attached to this Notice is a**

Proof of Claim and Release Form with mailing instructions. You must return this Proof of Claim and Release Form by November 12, 2010 to participate in the recovery.

If you choose, you may enter an appearance individually or through your own counsel at your own expense by filing such appearance with the Clerk of the Court, United States District Court for the District of Minnesota, 300 South Fourth Street, Minneapolis, Minnesota 55415; provided, however, in order to pose an objection to the settlement at the Settlement Hearing, you and your counsel must provide a written statement explaining your objection and identify any exhibits which you may utilize and witnesses you may call. A copy of your written objection should be sent to the Court with copies to Counsel identified in Section VIII below no later than November 12, 2010. Class Members may both pose an objection to the settlement and also submit a Proof of Claim and Release form to allow them to participate in the distribution of the Net Settlement Fund, if the settlement is ultimately approved by the Court.

TO PARTICIPATE IN THE DISTRIBUTION OF THE NET SETTLEMENT FUND, YOU MUST TIMELY COMPLETE AND RETURN THE PROOF OF CLAIM AND RELEASE FORM THAT ACCOMPANIES THIS NOTICE.

The Proof of Claim and Release Form must be hand delivered, postmarked or faxed on or before November 12, 2010, to the Claims Administrator at the address or facsimile number shown on the Proof of Claim and Release Form. If you submit the Proof of Claim and Release Form by facsimile, you must retain the facsimile confirmation page. Unless the Court orders otherwise, if you do not timely submit a valid Proof of Claim and Release Form, you will be barred from receiving any payments from the Net Settlement

Fund, but will in all other respects be bound by the Judgment. All Class Members whose claims are not approved shall be barred from participating in distributions from the Net Settlement Fund, but will in all other respects be subject to and bound by the Judgment.

VIII. EXCLUSION FROM THE CLASS

You may request to be excluded from the Class. To do so, you must send a written request stating that you wish to be excluded from the Class to:

Robert C. Moilanen, Esq.
Anthony Ostlund Baer & Louwagie P.A.
3600 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402
Facsimile: (612) 349-6996

Counsel for Plaintiffs

James K. Langdon, Esq.
Dorsey & Whitney LLP
50 South Sixth Street
Suite 1500
Minneapolis, MN 55402
Facsimile: (612) 340-2868

Counsel for Defendants

Your exclusion request must be hand delivered, postmarked or faxed on or before November 12, 2010, and, in order to be valid, must clearly identify the holder of the RTI securities, the address of the holder of the RTI securities and the type of RTI securities which were held prior to June 24, 2009. If you submit a valid, timely and complete request for exclusion, you shall have no rights under the settlement, shall not share in the distribution of the Net Settlement Fund, and shall not be bound by the final judgment. However, if your exclusion request fails to contain all of the foregoing information, it will be invalid and you will be bound by the terms and conditions of the judgment.

IX. DISMISSAL AND RELEASES

If the settlement is approved, the Court will enter a Judgment in this Litigation. The Judgment will dismiss the Released Claims with prejudice as to all Defendants. The Judgment will also provide that Plaintiffs and each of the Class Members, on behalf of themselves, their affiliates, predecessors, successors, assigns, agents, employees, heirs, executors, administrators and all other persons or entities controlled by, or under common control with, who have not validly and timely requested to be excluded from the Class shall be deemed to have (i) fully, finally and forever released, relinquished and discharged all Released Claims (including certain unknown claims pertaining to the subject matter of this litigation) against all the Released Persons, whether or not such Class Member executes and delivers the Proof of Claim and Release; (ii) covenanted not to sue any of the Released Persons or otherwise to assert, directly or indirectly, any of the Released Claims against any of the Released Persons including any claims seeking approval; and (iii) agreed to be forever barred and enjoined from doing so, in any court of law or equity, or in any other forum.

X. MORE INFORMATION/FREQUENTLY ASKED QUESTIONS

All Court records may be examined in person and copied at the office of the Clerk of Court, United States District Court, District of Minnesota, United States Courthouse, 300 South Fourth Street, Minneapolis, MN during normal business. Further, certain information about the case and the settlement is available at <http://www.aoblaw.com/news/newsline.html>. The website also addresses answers to frequently asked questions like: (1) When may I expect to see my payment from the

settlement? (2) What claims am I settling? (3) Why did Plaintiffs propose the allocation to the proceeds in the manner they did? (4) What happens if I do not submit a Proof of Claim and Release Form?; and (5) What happens if I opt out of the Class?

Members of the Class are encouraged to visit the website.

PLEASE DO NOT CONTACT THE COURT OR THE CLERK OF THE COURT OR RESTAURANT TECHNOLOGIES, INC. REGARDING THIS NOTICE.

Date: _____

BY ORDER OF THE COURT

The Honorable Michael Davis
United States District Court, District of Minnesota

CLAIM FORM AND RELEASE

IF YOUR NAME IS REFLECTED BELOW, YOU ARE A CLASS MEMBER AND MAY BE ENTITLED TO SETTLEMENT BENEFITS. IN ORDER TO RECEIVE SUCH BENEFITS, YOU MUST COMPLETE THIS FORM AND HAVE IT HAND DELIVERED, POSTMARKED OR FAXED NO LATER THAN NOVEMBER 12, 2010 TO THE FOLLOWING ADDRESS:

Restaurant Technologies, Inc., Litigation Settlement
c/o Analytics Inc., Claims Administrator
PO Box 2004
Chanhassen, MN 55317-2004
Facsimile: (952) 404-5750

YOUR FAILURE TO SUBMIT YOUR CLAIM BY NOVEMBER 12, 2010 WILL SUBJECT YOUR CLAIM TO REJECTION AND PRECLUDE YOUR RECEIVING ANY MONEY IN CONNECTION WITH THE SETTLEMENT OF THIS ACTION. DO NOT MAIL OR DELIVER YOUR CLAIM TO THE COURT OR TO ANY OF THE PARTIES OR THEIR COUNSEL AS ANY SUCH CLAIM WILL BE DEEMED NOT TO HAVE BEEN SUBMITTED. SUBMIT YOUR CLAIM ONLY TO THE ADMINISTRATOR.

IF NO NAME APPEARS UNDER "CLASS MEMBER" BELOW YOU MAY HAVE BEEN EXCLUDED FROM THE CLASS AND MAY NOT RECEIVE ANY BENEFITS NOR WILL YOU BE RELEASING ANY CLAIMS

CLASS MEMBER:

[Preprinted Class Member Name]

[Preprinted Class Member Address]

[Preprinted Class Member Number of shares held by you prior to June 24, 2009 and/or options held by you prior to May 13, 2009 as reflected on the Company's books and records]

If any corrections to your name or address as printed above are necessary, please print necessary changes: _____

If the number of shares and/or options reflected above is **incorrect**, please indicate the number of your shares (held on June 24, 2009) and/or options (held on May 13, 2009):

If you believe the preprinted number of shares and/or options reflected above is **incorrect**, enclose copies of stock certificates or other documents evidencing each purchase, sale or retention of Restaurant Technologies, Inc's stock or receipt of RTI options with this form. These documents are necessary to challenge the preprinted number reflected above. Persons who do not dispute the above-reflected number of shares and/or options are deemed to have verified that it is accurate.

Social Security or Taxpayer Identification number: _____

Please circle which describes the Claimant: Individual; Individuals holding jointly; Estate; Trust; Corporation; Partnership; Government Entity; Executor or Administrator; Trustee or other fiduciary on behalf of a retirement plan; Other (please identify)_____.

If you complete this form and thereby request settlement benefits, you are agreeing to release all of your claims related to the subject matter of the class action complaint and as more fully described in the Notice provided to you with this Claim Form and Release. You are also agreeing that you have read the Notice and/or the Stipulation of Settlement describing and detailing that release and that you are making the release voluntarily. You are further agreeing to release and discharge on behalf of yourself, your heirs, executors, administrators, predecessors, successors and assigns all Released Claims as defined in the Settlement Agreement. The Stipulation of Settlement is available for your inspection at <http://www.aoblaw.com/news/newsline.html> and, if you have any questions, it is recommended that you inspect it.

By signing this document you confirm that you believe in good faith that the number of shares (as of June 24, 2009) and/or options (as of May 13, 2009) as reflected above is true, correct and accurate. You similarly agree that you in good faith believe yourself to be a Class Member, and are not a defendant in the action or anyone excluded from the Class; that you have not filed a request for exclusion; that you have authority to act for the owner(s) of the securities at issue; that you will cooperate in furnishing additional information as may be required by the Claims Administrator or the Court; and that you are not subject to backup withholding under the provisions of Section 3406(a)(1)(C) of the Internal Revenue Code because you are exempt from backup withholding, because you have not been notified by the IRS that you are subject to backup withholding as a result of a failure to report all interest or dividends, or because the IRS has notified you that you are no longer subject to backup withholding.

If you have any questions about this form, you may call the Claims Administrators at (866) 535-1629.

SIGNATURE OF CLAIMANT (if signed on behalf of joint Claimants, then each must sign):

Date of Signature: _____