

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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**FORM 8-K**

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**CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported) January 10, 2020**

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**Fiesta Restaurant Group, Inc.**  
(Exact name of registrant as specified in its charter)

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<b>Delaware</b>	<b>001-35373</b>	<b>90-0712224</b>
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)
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<b>14800 Landmark Boulevard, Suite 500</b>		
<b>Dallas</b>	<b>Texas</b>	<b>75254</b>
(Address of principal executive offices)		(Zip Code)

**Registrant's telephone number, including area code (972) 702-9300**

**N/A**  
(Former name or former address, if changed since last report.)

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Securities registered pursuant to Section 12(b) of the Act:

<b>Title of Each Class</b>	<b>Trading Symbol</b>	<b>Name of Each Exchange on Which Registered</b>
Common Stock, par value \$0.01 per share	FRGI	NASDAQ Global Select Market

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13a-4(c))
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Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**ITEM 2.05. COSTS ASSOCIATED WITH EXIT OR DISPOSAL ACTIVITIES.**

On January 10, 2019, the Board of Directors of Fiesta Restaurant Group, Inc. (the "Company") determined to close nineteen (19) Company-owned Taco Cabana restaurants on January 13, 2020.

The Company expects to record estimated non-cash long-lived asset impairment charges of approximately \$7.0 million to \$8.0 million and estimated lease right-of-use asset impairment charges of approximately \$1.0 million to \$3.0 million in the fourth quarter 2019 with respect to the closed restaurants. The Company previously recorded impairment charges totaling \$3.9 million related to these restaurants in the second and third quarters of 2019. The leases associated with the right-of-use assets will require future cash expenditures.

While the Company also expects to recognize costs associated with the closings, including de-imaging and equipment removal, in the first quarter of 2020, it does not expect these additional closure related costs to be material.

**ITEM 2.06. MATERIAL IMPAIRMENTS.**

The information required to be disclosed under this Item 2.06 is included in Item 2.05 above and incorporated by reference herein.

The Company issued a press release on January 13, 2020 announcing the closure of the Company-owned Taco Cabana restaurants referenced above, the full text of which is attached as [Exhibit 99.1](#) and incorporated by reference into Item 2.05 and Item 2.06.

**ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.**

(d) Exhibits

[99.1 Fiesta Restaurant Group, Inc. Press Release, dated January 13, 2020.](#)

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## Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FIESTA RESTAURANT GROUP, INC.

Date: January 14, 2020

By: /s/ Dirk Montgomery

Name: Dirk Montgomery

Title: Senior Vice President, Chief Financial Officer and Treasurer

**FOR IMMEDIATE RELEASE**

Investor Relations Contact:

Raphael Gross

203-682-8253

[investors@FRGI.com](mailto:investors@FRGI.com)**Fiesta Restaurant Group, Inc. Announces Taco Cabana Closures**

**Dallas, TX -- (Businesswire) - January 13, 2020** - Fiesta Restaurant Group, Inc. ("Fiesta" or the "Company") (NASDAQ: FRGI), parent company of the Pollo Tropical® and Taco Cabana® fast-casual restaurant brands, today announced that it will close 19 Taco Cabana restaurants in Texas, effective immediately. Nearly all employees impacted by the closures will be offered positions at other Taco Cabana locations.

Fiesta President and Chief Executive Officer Richard Stockinger said, "During the fourth quarter, our Taco Cabana team began implementation of a margin improvement plan that we expect to improve restaurant-level Adjusted EBITDA margins by approximately 200 to 300 basis points in 2020 vs. 2019. The margin improvement plan includes efficiency initiatives in operations across food and operating expense categories and the closure of 19 underperforming restaurants in Texas. These closures eliminate all stores with significant losses, which we expect will result in a highly viable portfolio of restaurants."

Mr. Stockinger concluded, "We continue to make progress on sales building initiatives across both Pollo Tropical and Taco Cabana in off premise sales, including catering, online and delivery. In addition, as our new senior management team enters their first full year together, we are optimistic about improving comparable restaurant sales at both brands in 2020."

The 19 Taco Cabana restaurants contributed approximately \$24.5 million in restaurant sales and an estimated \$4.2 million in restaurant level pre-tax operating losses, including \$2.0 million in depreciation expense, for the twelve months ended December 29, 2019.

The Company expects to recognize estimated non-cash long-lived asset impairment charges of approximately \$7.0 million to \$8.0 million and estimated lease right-of-use asset impairment charges of approximately \$1.0 million to \$3.0 million related to these 19 Taco Cabana restaurants in the fourth quarter of 2019. The Company also expects to recognize costs associated with de-imaging and removing equipment related to these restaurants in the first quarter of 2020, but it does not expect these additional closure related costs to be material.

**About Fiesta Restaurant Group, Inc.**

Fiesta Restaurant Group, Inc. is the parent company of the Pollo Tropical® and Taco Cabana® restaurant brands. The brands specialize in the operation of fast-casual restaurants that offer distinct and unique tropical and Mexican inspired flavors with broad appeal at a compelling value. For more information about Fiesta Restaurant Group, Inc., visit the corporate website at [www.frgi.com](http://www.frgi.com).

**Forward-Looking Statements**

Certain statements contained in this news release and in our public disclosures, whether written, oral or otherwise made, relating to future events or future performance, including any discussion, express or implied, regarding the financial impact of the restaurant closures and comparable restaurant sales discussed in this news release, contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements are often identified by the words "may," "might," "believes," "thinks," "anticipates," "plans," "positioned," "target," "continue," "expects," "look to," "intends" and other similar expressions, whether in the negative or the affirmative, that are not statements of historical fact. These forward-looking statements are not guarantees of future performance and involve certain risks, uncertainties, and assumptions that are difficult to predict, and you should not place undue reliance on our forward-looking statements. Our actual results and timing of certain events could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including, but not limited to, those discussed from time to time in our reports filed with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the fiscal year ended December 30, 2018 and our quarterly reports on Form 10-Q. All forward-looking statements and the internal projections and beliefs upon which we base our expectations included in this release are made only as of the date of this release and may change. While we may elect

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to update forward-looking statements at some point in the future, we expressly disclaim any obligation to update any forward-looking statements, whether as a result of new information, future events, or otherwise.