S&P Global
Ratings

Research

Presale:

Domino's Pizza Master Issuer LLC (Series 2019-1)

October 31, 2019

PRIMARY CREDIT ANALYST

Elizabeth T Fitzpatrick
New York
(1) 212-438-2686
elizabeth.fitzpatrick@spglobal.com

SECONDARY CONTACT

Jesse R Sable, CFA
New York
(1) 212-438-6719
jesse.sable@spglobal.com

RESEARCH ASSISTANT

Matthew R Howard
Chicago

ANALYTICAL MANAGER

Kate R Scanlin
New York
(1) 212-438-2002
kate.scanlin@spglobal.com

Preliminary Ratings

Class	Preliminary rating	Balance (mil. $)	Anticipated maturity	Legal maturity (years)
A-1	BBB+ (sf)	200	October 2024	30
A-2	BBB+ (sf)	600	October 2029	30

Note: This presale report is based on information as of Oct. 31, 2019. The ratings shown are preliminary. Subsequent information may result in the assignment of final ratings that differ from the preliminary ratings. Accordingly, the preliminary ratings should not be construed as evidence of final ratings. This report does not constitute a recommendation to buy, hold, or sell securities.

Executive Summary

Domino's Pizza Master Issuer LLC's series 2019-1 issuance is an $800 million corporate securitization of Domino's Pizza Inc.'s business. The company will use excess proceeds, after an estimated $9 million in transaction fees and expenses, for general corporate purposes, which may include returning capital to shareholders and stock repurchases. Assuming a full drawdown on the series 2019-1 class A-1 VFN, the total note issuance will result in leverage of 6.2x on a total debt/adjusted EBITDA (last-12-month) basis. Including an additional $75 million issuance capacity for class A-2, which we considered in our analysis, leverage would be 6.3x. Debt repayment is supported by royalty cash flows and other franchisee payments, license payments, net rental income, and profit from distribution arrangements from the approximately 16,500 store system as of October 2019.

Key credit features of the transaction include:

- A long operating history of over 50 years.
- The highly franchised nature of the Domino's business, which results in a less volatile cash flow stream.
- Stable historical systemwide sales, with a cumulative average growth rate (CAGR) of 9.4% since 2008.
- Consistent growth in store count and stable average unit volume (AUV), which has led to steady increases in royalty payments.
- Distribution arrangements that enhance the franchisee's profitability and provide an additional cash flow source for the transaction.

2330987

- A diverse domestic franchise base, with the largest franchisee operating approximately 3.0% of total domestic units, which account for 3.0% of domestic sales.
- International operations revenue that isn't hedged for foreign exchange fluctuation, leaving cash flows vulnerable to potential swings in exchange rates.
- Somewhat high international franchisee concentration, with the top international master franchisee accounting for approximately 24% of the total international store count

Transaction Timeline/Participants

Transaction Timeline

Expected closing date	November 2019
First payment date	January 2020
A-2 ARD	October 2029
Legal maturity date	October 2049
Note payment frequency	Quarterly

ARD--Anticipated repayment date.

Participants

Arranger (Lead)	Guggenheim Securities LLC.
Master issuer	Domino's Pizza Master Issuer LLC.
Additional co-issuers	Domino's IP Holder LLC, Domino's Pizza Distribution LLC, and Domino's SPV Canadian Holding Company Inc.
Guarantors	Domino's Pizza Franchising LLC, Domino's Pizza International Franchising Inc., Domino's EQ LLC, Domino's RE LLC, Domino's Pizza Canadian Distribution ULC, and Domino's SPV Guarantor LLC.
Trustee	Citibank N.A.
Servicer	Midland Loan Services (a division of PNC Bank N.A.).
Manager	Domino's Pizza LLC
Backup manager	FTI Consulting Inc.

Rating Rationale

The preliminary ratings assigned to Domino's Pizza Master Issuer LLC's $800 million senior secured notes series 2019-1 reflect our assessment of:

- Brand strength. This includes the strength of the Domino's brand, the likelihood for the brand to survive through a Domino's bankruptcy, and the brand's resulting capacity to continue generating sufficient cash flows from business operations, provided that adequate servicing remains in place.
- A replaceable manager. The manager's responsibilities are generally limited to sales, general, and administrative (SG&A) functions, which we believe increases the likelihood of successful replacement following a termination of the current manager. Additionally, the transaction has a

backup manager, FTI Consulting Inc. (established at the transaction's closing), which has reviewed the business' cost structure relative to the sizing of the management fee and believes it is adequate should FTI need to step in.

- Legal isolation of the assets. Substantially all of the business' cash-generating assets will not be owned by the manager at the transaction's closing. They have been sold through a true sale to the securitization issuer and guarantors, which are bankruptcy-remote entities. This should decrease the likelihood that existing Domino's creditors could disrupt cash flow to the securitization following a manager bankruptcy. Legal opinions related to true sale and nonconsolidation have been, or will be, provided before this transaction's closing.
- Asset performance not fully correlated with manager performance. A system of franchised restaurants will likely continue to generate cash flow following the manager's bankruptcy because individual franchisees generally operate independently from the manager (aside from SG&A functions, which we believe can be transferred to a backup).
- Cash flow coverage. Given the brand's strength, the replaceable nature of the manager, and the legal isolation of the assets from the manager, we have projected long-term cash flows for the business. Our analysis incorporates cash flow haircuts reflecting our view of how the business' assets could weaken in adverse economic conditions. Under these conditions, our analysis shows the cash flows generated by the business are sufficient to meet all debt service obligations of the rated notes.
- Liquidity. A reserve account is in place, to be either funded with three months of interest expenses or supported by an eligible letter of credit.

Table 1

Key Credit Metrics And Peer Comparison

Brands	Series	S&P Global Ratings' credit rating(i)	Store count (no.)	AUV (mil. $)	Franchised (%)(iii)	International (%)(iii)	Operating history (from founding)	Concept type	Leverage (total debt/adj. EBITDA) (iv)	Min. base-case DSCR (v)	Min. downside DSCR (v)
Domino's(ii)	2019-1	BBB+ (sf)	16,528	0.9	98	64	Over 30 years	QSR	5.9	1.8	1.4
SERVPRO	2019-1	BBB- (sf)	1,719	1.5	100	0	Over 30 years	Remediation/recon	7.5	1.8	1.3
Driven Brands	2019-2	BBB- (sf)	2,702	1.3	86	15	Over 30 years	Automotive services	6.9	1.6	1.3
Jack in the Box	2019-1	BBB (sf)	2,240	1.5	94	0	Over 30 years	QSR	4.9	1.9	1.6
Applebee's/IHOP	2019-1	BBB (sf)	3,652	2.2	98	7	Over 30 years	Casual Dining	6.0	1.7	1.4
Dunkin' Brands	2019-1	BBB (sf)	20,912	0.8	100	43	Over 30 years	QSR	6.2	1.6	1.4
Driven Brands	2019-1	BBB-(sf)	2,588	1.2	88	17	Over 30 years	Automotive services	6.8	1.7	1.4
Taco Bell	2018-1	BBB (sf)	6,505	1.6	91	6	Over 30 years	QSR	5.3	1.6	1.5

Table 1

Key Credit Metrics And Peer Comparison (cont.)

Brands	Series	S&P Global Ratings' credit rating(i)	Store count (no.)	AUV (mil. $)	Franchised (%)(iii)	International (%)(iii)	Operating history (from founding)	Concept type	Leverage (total debt/adj. EBITDA) (iv)	Min. base-case DSCR (v)	Min. downside DSCR (v)
Focus Brands	2018-1	BBB (sf)	6,191	0.3-1.7	98	22	Range between 1934 and 2000	QSR, casual dining, coffee, etc.	5.8	1.6	1.5
Applebee's/IHOP	2018-1	BBB (sf)	3,419	2.2	100	7	Over 30 years	Casual dining	5.9	1.7	1.5
Planet Fitness	2018-1	BBB- (sf)	1,565	2	96	1.7	26 years	Fitness	6.0	1.6	1.1
Hardee's/Carl's Jr.	2018-1	BBB (sf)	3,873	1.2	96	22	Over 30 years	QSR	6.1	1.9	1.6
Driven Brands	2018-1	BBB- (sf)	2,591	0.9	89	15	Over 30 years	Automotive services	6.3	1.8	1.5
Domino's	2018-1	BBB+ (sf)	14,856	0.9	97	62	Over 30 years	QSR	6.0	1.8	1.6
Sonic	2018-1	BBB (sf)	3,587	1.3	94	0	Over 30 years	QSR	4.8	2.0	2.5
Wendy's	2017-1	BBB (sf)	6,551	1.5	95	7	Over 30 years	QSR	7.5	1.6	1.5
Dunkin' Brands	2017-1	BBB (sf)	20,242	0.8	100	43	Over 30 years	QSR	6.2	1.6	1.4
Jimmy John's	2017-1	BBB (sf)	2,690	0.8	98	0	Over 30 years	QSR	5.2	1.8	1.7
Focus Brands	2017-1	BBB (sf)	5,135	0.3-1.6	98	24	Range between 1934 and 2000	QSR, casual dining, coffee, etc.	4.8	1.5	1.6
Taco Bell	2016-1	BBB (sf)	6,400	1.4	86	4	Over 30 years	QSR	5.8	1.6	1.4
Cajun Global	2017-1	BBB- (sf)	1,588	0.7	85	32	Over 30 years	QSR	5.2	1.8	1.4
Five Guys	2017-1	BBB- (sf)	1,437	1.2	69	5	Over 30 years	QSR	6.7	1.6	1.5
TGIF	2017-1	BB+(sf)	903	2.7	94	48	Over 30 years	Casual dining	5.6	1.6	1.3

(i)Rating is for the senior-most securitization note issued (closed transactions). (ii)Preliminary. (iii)% of total store count. (iv)As reported. (v)As of each series' closing date unless otherwise noted. Domino's--Domino's Pizza Master Issuer LLC. ServPro--ServPro Master Issuer LLC. Driven Brands--Driven Brands Funding LLC (Maaco, Meineke, and others). Jack in the Box Funding LLC (Jack in the Box). Applebee's/IHOP--Applebee's Funding LLC/IHOP Funding LLC (Dine Brands Global). Dunkin' Brands--DB Master Finance LLC (AUV represents domestic for both brands, leverage assumes no VFN). Taco Bell--Taco Bell Funding LLC. Focus Brands--Focus Brands Funding LLC (Carvel, Cinnabon, Auntie Anne's, and others). Planet Fitness--Planet Fitness Master Issuer LLC. Hardee's/Carl's Jr.--Hardee's Funding LLC/Carl's Jr. Funding LLC. Sonic--Sonic Capital LLC. Wendy's--Wendy's Funding LLC. Jimmy John's--Jimmy John's Funding LLC. Cajun Global--Cajun Global LLC (Church's Chicken). Five Guys--Five Guys Funding LLC. TGIF--TGIF Funding LLC. AUV--Average unit volume. DSCR--Debt service coverage ratio. QSR--Quick-service restaurants. VFN--Variable funding note.

Industry Outlook

The restaurant industry is highly competitive in price and product offerings. Many operators focus on altering the menu mix and new products toward value offerings to drive guest traffic. The sector's performance has been mixed at best because of tepid economic conditions, with meaningful weakness at certain restaurant operators. Quick-service restaurants overall have been performing well, while casual dining restaurants continue to face challenges. The ability to take share will drive revenue and profit growth, as there is limited domestic growth expected. We expect slow economic growth to continue to limit guest traffic gains; any cost inflation will pressure operating margins over the near term because it likely will not be fully passed along to customers. In particular, labor inflation would affect store profits, but the impact may not be meaningful for the highly franchised models. Companies with an international presence have expansion opportunities in various markets.

Summary Of The Business

Domino's is the largest pizza company in the world based on global retail sales. Founded in 1960, the Domino's system operates through a network of 16,500-plus locations in over 85 markets around the world as of October 2019. In addition to its delivery services and carry-out oriented stores, Domino's operates 19 regional dough manufacturing and supply-chain centers, one equipment and supply facility, one thin crust manufacturing center, and one vegetable processing center in the U.S., as well as five dough manufacturing and supply-chain centers in Canada.

Domino's is headquartered in Ann Arbor, Mich., and operates within the quick-service restaurant industry. Domino's differentiates itself from its competitors by using a delivery and carry-out oriented store design, and providing a price-competitive product menu. The majority of its stores internationally do not offer extensive dine-in areas and, therefore, do not require expensive restaurant facilities and staffing.

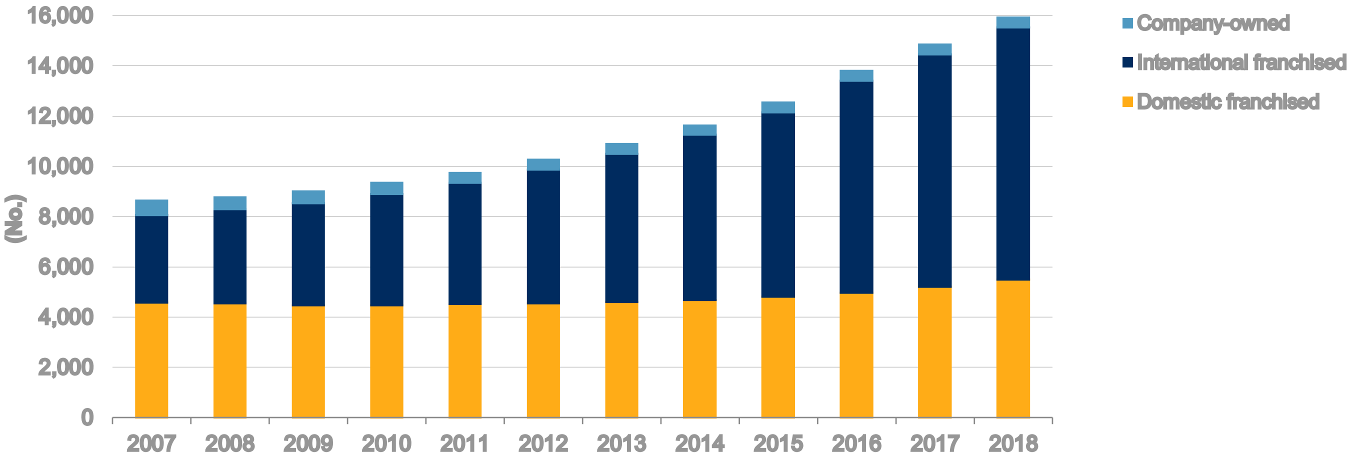
Cash flows from Domino's restaurant business are derived from two principal sources: franchise-related revenues (including royalties, rents, and franchise fees received from both domestic and international franchised restaurants) and distributor profits.

As of third-quarter end 2019, 98% of Domino's restaurants were franchised, including all approximately 10,500 of the business' international stores. Each franchised location operates under a franchise agreement that requires payments to Domino's of an initial franchise fee (unless waived) and a recurring royalty fee.

Systemwide store count growth continues to be strong, which is represented by a CAGR of 22% for net store openings since 2008 (see chart 1). This increase in store count has been especially high in recent years due to the company's push for further expansion into international markets by leveraging existing franchisees that are looking to grow. From 2016 to 2018, Domino's opened 3,675 new stores while having closed only 291, with 81% of those openings occurring in international markets (see charts 2 and 3 for store count breakdown by U.S. state and international region).

Chart 1

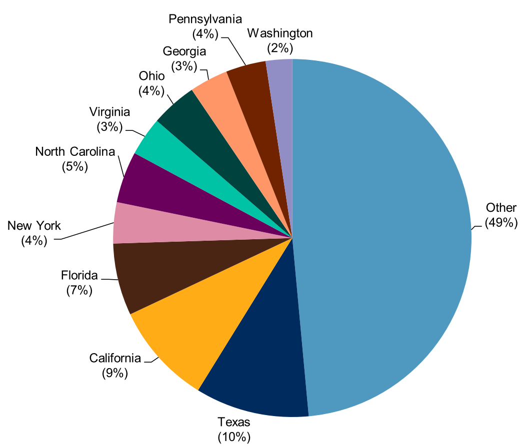
Historical Store Counts
Systemwide restaurant count



Source: Domino's Pizza Inc.

Chart 2

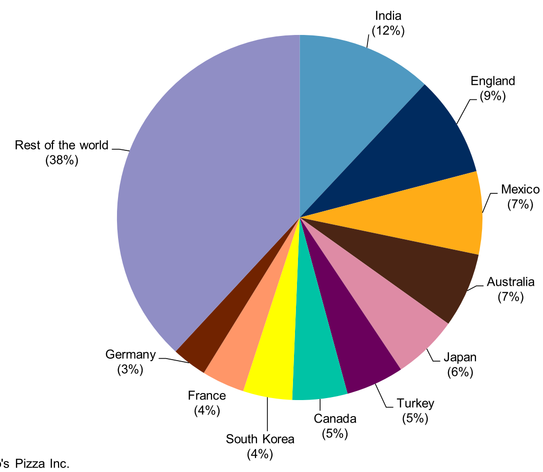
State Concentrations
Top 10 states by total domestic store count



Source: Domino's Pizza Inc.

Chart 3

Top 10 International Markets
% of international stores

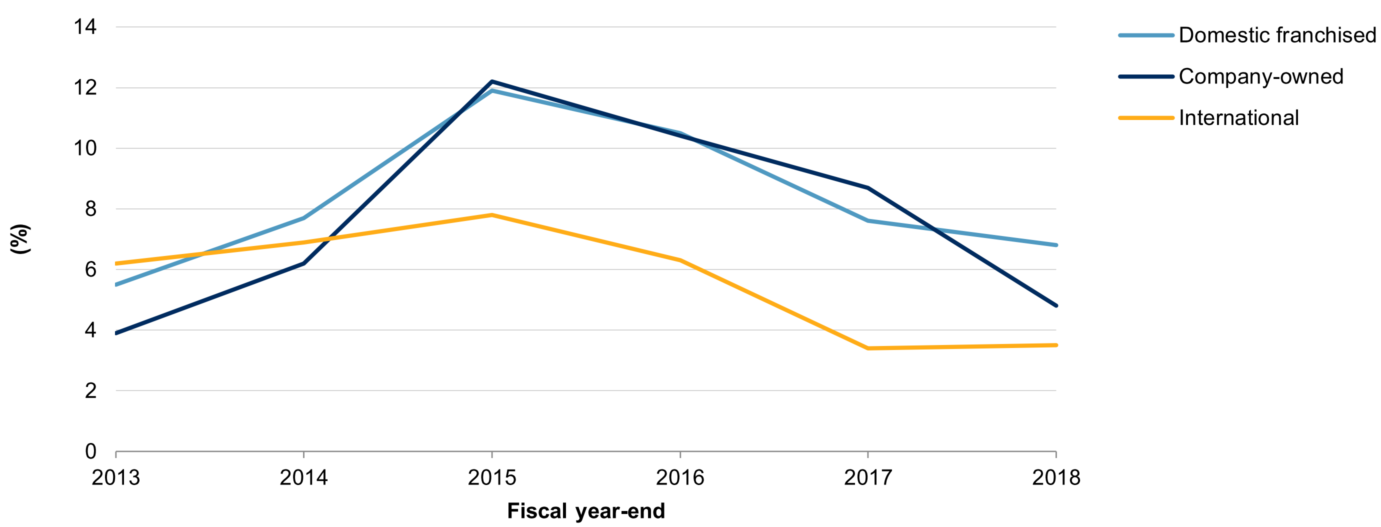


Source: Domino's Pizza Inc.

Similar to the trend described above, average unit volumes (AUVs), royalty rates, and same-store sales have been stable over the past 20 years. Royalty rates have been extremely steady, hovering near 5% for domestic franchises and 3% for international franchises. Although international AUV has fluctuated marginally, AUV for domestic franchises and company-owned stores has grown at CAGRs of 6.8% and 6.7%, respectively. The track record for same-store sales is strong as well, with international stores reporting 22 consecutive years of positive same-store sales and domestic stores reporting 18 out of the past 22 years as positive same-store sales (see chart 4).

Chart 4

Historical Same-Store Sales Growth



Source: Domino's Pizza Inc.

Collateral

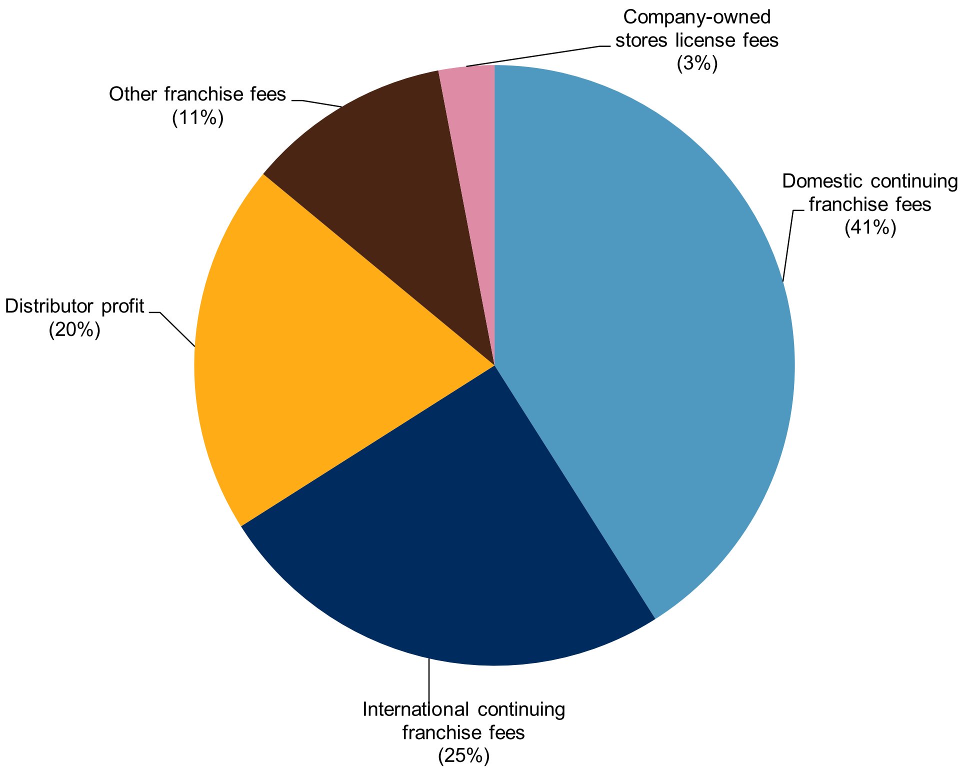
The notes will be secured by a security interest in substantially all of the assets of the co-issuers and guarantors, which include:

- Franchise agreements (domestic and international);
- Domino's intellectual property (IP);
- IP license agreements and license agreements with third parties;
- Distribution agreements;
- Domestic distribution assets;
- Transaction accounts; and
- An equity interest in the securitization entities.

Chart 5 illustrates the relative initial contributions of the various cash flow streams to the transaction.

Chart 5

Securitized Cash Flow Sources



Source: Domino's Pizza Inc.

(See the Cash Flow Assumptions table [table 4] below for more details on each category of securitization collections.)

Key Credit Considerations

Key credit factors that we considered in our analysis are broken down in table 2.

Table 2

Key Credit Considerations

Long operating history	The first Domino's restaurant opened in Ypsilanti, Mich. in 1960 and, since then, the Domino's brand has survived multiple economic downturns and has built a loyal customer base. This supports the likelihood that brand loyalty (and thus sales) will continue even in the event that Domino's Pizza LLC is replaced as the manager.
High franchised percentage	As of third-quarter end 2019, 98% of Domino's 16,528 systemwide stores were operated by franchisees. We believe a high franchised percentage provides the transaction with better cash flow stability and independence from the manager than transactions with lower percentages of franchised stores.
Large international franchisee concentration	International franchisee concentration is somewhat high, with the top international master franchisee accounting for approximately 24% of the total international store count).

Table 2

Key Credit Considerations (cont.)

Unhedged revenue from international operations	Revenues from international operations are not hedged for foreign exchange fluctuation, leaving cash flows vulnerable to potential swings in exchange rates.
Large domestic geographic concentrations	Geographic concentration in the three largest states accounts for approximately 26% of the company's U.S. store count.

Credit Rating Methodology

Table 3 details our specific conclusions for each of the five analytical steps in our rating process for Domino's Pizza Master Issuer LLC's series 2019-1 issuance.

Table 3

Credit Rating Step

Step	Result	Comment
Step 1		
Eligibility analysis	Pass	We believe that the system of franchised restaurants would likely continue to generate cash flow following a bankruptcy by the manager, because individual franchisees generally operate independently from the manager (aside from their reliance on the manager's SG&A functions, which we believe can be transferred to a backup manager). As long as a brand has sufficient customer loyalty, royalty revenues can continue to be available to service securitization debt, assuming the assets have been isolated via a true sale to a bankruptcy-remote special-purpose entity. Because we do not believe that substantially all cash flow from the system will be at risk following a manager bankruptcy, our subsequent analysis quantifies the impact of the correlated cash flow decline from the Domino's system and compares that to ongoing required interest and principal payments to the rated debt.
Step 2		
Business volatility score (BVS)	2(i)	Domino's business risk profile (BRP) is currently satisfactory, which maps to an unadjusted BVS of '3'(i). We adjusted that BVS upward by one notch to '2' because the cash flows are revenue-based, and the system has demonstrated stability over more than 20 years.
Cash flow assumptions	See table 4, below	
Min. base DSCR	1.81x	Principal and interest are fully paid in this scenario.
Anchor	'bbb+'	Determined per table 1 of our corporate securitization criteria, "Global Methodology And Assumptions For Corporate Securitizations," published June 22, 2017.
Min. downside run DSCR	1.43x	Principal and interest are fully paid in this scenario.
Step 3		
Resiliency score	Satisfactory	Determined per table 3 of the Corporate Securitization criteria.
Resiliency adjusted anchor	'a-'	Determined per table 4 of the Corporate Securitization criteria.
Step 4		
Modifier analysis	No adjustment	This structure is not an outlier from a leverage perspective, and the anticipated repayment dates, as well as liquidity and deleveraging triggers, are all comparable to those of other rated transactions.

Table 3

Credit Rating Step (cont.)

Step	Result	Comment
Step 5		
Comparable rating analysis	One notch downward	We applied a one-notch downward adjustment to the 'a-' resilience-adjusted anchor in order to address the high international exposure relative to other similar transactions (~30% of collections are expected to be from the international business). Though high international exposure does have a diversity benefit, it also exposes the transaction to foreign exchange and operational risks, such as maintaining food safety in a wide range of environments. This adjustment results in preliminary ratings of 'BBB+ (sf)' for the series 2019-1 transaction.

(i)The mappings from BRP to BVS are: Excellent=1; Strong=2; Satisfactory=3; Fair=4; Weak=5; and Vulnerable=6. SG&A--Sales, general, and administrative. Domino's--Domino's Pizza LLC. DSCR--Debt service coverage ratio. LTM--Last 12 months. AUV--Average unit volume.

Table 4 shows our cash flow assumptions.

Table 4

Cash Flow Assumptions

	Cumulative decline (%)		
Asset cash flow category	Base case	Downside case(i)	Description
Royalty revenue and fees	0	15	Franchise and company-owned store royalties, which constitute a majority of the overall projected cash flow, are a function of store count, AUV, and royalty rates.
All other securitization collections	0	30	All other securitization collections.

(i)For the downside case, we applied periodic stresses to non-U.S. store revenue to address the risk of foreign exchange rate volatility; we assumed foreign currency depreciation rates consistent with our criteria, "Foreign Exchange Risk In Structured Finance--Methodology And Assumptions," published April 21, 2017. AUV--Average unit volume.

Sensitivity Analysis

Sensitivity run 1: Management fee stress

Using the base-case assumptions in table 4, we determined that the management fee could be increased by as much as 390% (translating to an approximately 46% reduction in net securitized cash flow relative to the base case) without any impact on the transaction's ability to pay timely interest and full principal payments by the legal final maturity. In our opinion, the additional management fee stresses what could occur if Domino's experienced a bankruptcy. While the management fee is currently outlined in the transaction documents, we believe that it may be possible that such fees are renegotiated in a potential bankruptcy scenario.

Sensitivity run 2: Event-driven stress

Starting with the base-case scenario assumptions, we determined the maximum haircut to cash flow that would allow timely interest and full principal payments by the transaction's legal final maturity date. This haircut to cash flow after fees is approximately 53%. We examined several event risks associated with cash flow losses, including royalty losses from the top three geographies by store count (California, Texas, and Florida) and losses on systemwide sales resulting from bankruptcies of the largest international master franchisee and the top 10 domestic franchisees. Under these scenarios, our analysis showed that the transaction could pay timely interest and full principal by legal final maturity.

Structural Protection Summary

The structural features and credit enhancements (see table 5) are generally consistent with those of other recently rated corporate securitizations.

Table 5

Structural Features

Test	Domino's Pizza Master Issuer (Series 2019-1)
Rapid amortization DSCR trigger (P&I)	1.20x
Cash flow sweep DSCR trigger (P&I)	1.75x (50% trap); 1.50x (100% trap)
ARD horizon(i)	Ten years for class A-2
Scheduled amortization through ARD	1.00%
Manager termination DSCR trigger (IO)	1.20x
Event-of-default DSCR trigger (IO)	1.10x
Management fee	The management fee, which includes both fixed and variable components, is a function of the total stores in operation. According to the transaction documents, the fixed component is assumed to be $26.5 million annually, and the variable component is assumed to be $600,000 per every 100 open Domino's stores in the contiguous U.S. The management fee is also subject to a 2% annual increase if the increased amount does not exceed 25% of retained collections in the preceding four quarterly collection periods.

(i)Failure to pay the notes in full by their applicable ARDs constitutes a rapid amortization event, but not an event of default. Given a rapid amortization event, pro rata rapid amortization will begin for all class A-2 tranches (for all outstanding series, including 2015-1, 2017-1, 2018-1, and 2019-1). DSCR--Debt service coverage ratio. P&I--Principal and interest. ARD--Anticipated repayment date. IO--Interest only.

Payment Priority

Following the series 2019-1 issuance, the transaction will include eight class A notes that will pay interest and principal quarterly from weekly distributions in the priority shown in table 6. Currently, the transaction includes no senior subordinated or subordinated notes; however, the transaction may issue these notes if certain conditions are met.

Table 6

Payment Priority

Priority	Payment
1	Solely for the indemnification payments received or real estate disposition proceeds, the indemnification and real estate proceeds payment amounts.
2	Servicing advances, manager advances, servicing fees, liquidation fees, and workout fees.

Table 6

Payment Priority (cont.)

Priority	Payment
3	Successor manager transition expenses, if any.
4	Weekly management, PULSE maintenance, and technology fees.
5	Capped securitization operating expenses amount and post-default capped trustee expenses amount.
6	Interest payments on the senior notes and series hedge payment amount, if any.
7	Commitment fee amount on the class A-1 senior notes.
8	The capped class A-1 senior note administrative expenses amount.
9	Interest on the senior subordinated notes, if any.
10	The senior note interest reserve account deficit amount, if any.
11	The senior subordinated note interest reserve account deficit amount, if any.
12	The scheduled amortization of the senior notes.
13	The lesser of 25% of the excess amount available after items 1-12 and the senior note scheduled principal catch-up amount.
14	The supplemental management fee, if any, and the weekly distribution services reimbursement amount, if any.
15	So long as no rapid amortization is continuing, if the class A-1 senior note amortization event is continuing, all remaining funds to the class A-1 senior notes' principal.
16	If no rapid amortization has occurred, any required amount to the cash-trap reserve account.
17	If a rapid amortization has occurred, all remaining amounts to the senior notes.
18	The scheduled amortization of the senior subordinated notes, if any.
19	The senior subordinated note scheduled principal catch-up amount.
20	If a rapid amortization has occurred, all remaining amounts to the senior subordinated notes, if any.
21	Any excess securitization operating expenses amount.
22	The excess class A-1 senior note administrative expenses amounts, if any.
23	The class A-1 senior note other amounts.
24	Interest on the subordinated notes, if any.
25	The scheduled amortization of the subordinated notes, if any.
26	The subordinated note scheduled principal catch-up amount.
27	If a rapid amortization has occurred, all remaining amounts to the subordinated notes, if any.
28	After the anticipated repayment date, to the senior notes' accrued quarterly post-ARD contingent interest amount.
29	After the anticipated repayment date, to the senior subordinated notes' accrued quarterly post-ARD contingent interest amount.
30	After the anticipated repayment date, to the subordinated notes' accrued quarterly post-ARD contingent interest amount.
31	Hedge termination payments and other amount payable to a hedge counterparty, if any.
32	Environmental remediation expenses amounts, if any.
33	Any unpaid premiums and make-whole prepayment premiums on the senior notes.
34	Any unpaid premiums and make-whole prepayment premiums on the senior subordinated notes.
35	Any unpaid premiums and make-whole prepayment premiums on the subordinated notes.

Table 6

Payment Priority (cont.)

Priority	Payment
36	The weekly equipment purchasing reimbursement amount.
37	Deposit, at the direction of the manager acting on the master issuer's behalf, to the lease, the equipment holder, and the real estate holder concentration accounts, the amount, if any, needed to cause such accounts to achieve their account minimum balances.
38	Any remaining funds to, or at the direction of, the master issuer.

ARD--Anticipated repayment date.

Surveillance

We will maintain active surveillance on the rated notes until the notes mature or are retired. The purpose of surveillance is to assess whether the notes are performing within the initial parameters and assumptions applied to each rating category. The transaction terms require the issuer to supply periodic reports and notices to S&P Global Ratings for maintaining continuous surveillance on the rated notes.

We view Domino's performance as an important part of analyzing and monitoring the performance and risks associated with the transaction. While company performance will likely have an effect on the transaction, other factors, such as cash flow, debt reduction, and legal framework, also contribute to our overall analytical opinion.

Related Criteria

- Criteria | Structured Finance | Legal: U.S. Structured Finance Asset Isolation And Special-Purpose Entity Criteria, May 15, 2019
- Criteria | Structured Finance | General: Incorporating Sovereign Risk In Rating Structured Finance Securities: Methodology And Assumptions, Jan. 30, 2019
- Criteria | Structured Finance | ABS: Global Methodology And Assumptions For Corporate Securitizations, June 22, 2017
- Criteria | Structured Finance | General: Foreign Exchange Risk In Structured Finance--Methodology And Assumptions, April 21, 2017
- General Criteria: Principles For Rating Debt Issues Based On Imputed Promises, Dec. 19, 2014
- Criteria - Structured Finance - General: Criteria Methodology Applied To Fees, Expenses, And Indemnifications, July 12, 2012
- General Criteria: Global Investment Criteria For Temporary Investments In Transaction Accounts, May 31, 2012

Related Research

- Restaurant Securitizations Are Structured To Survive A Big Bite, Sept. 7, 2017
- Why Social Media Should Be A #trendingtopic In Corporate Securitization Analysis, June 9,

2017

- Global Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors, Dec. 16, 2016

In addition to the criteria specific to this type of security (listed above), the following criteria articles, which are generally applicable to all ratings, may have affected this rating action: "Counterparty Risk Framework: Methodology And Assumptions," March 8, 2019; "Post-Default Ratings Methodology: When Does Standard & Poor's Raise A Rating From 'D' Or 'SD'?," March 23, 2015; "Global Framework For Assessing Operational Risk In Structured Finance Transactions," Oct. 9, 2014; "Methodology: Timeliness of Payments: Grace Periods, Guarantees, And Use of 'D' And 'SD' Ratings," Oct. 24, 2013; "Criteria For Assigning 'CCC+', 'CCC', 'CCC-', And 'CC' Ratings," Oct. 1, 2012; "Methodology: Credit Stability Criteria," May 3, 2010; and "Use of CreditWatch And Outlooks," Sept. 14, 2009.