

SECURITIES AND EXCHANGE COMMISSION

FORM S-8

Initial registration statement for securities to be offered to employees pursuant to employee benefit plans

Filing Date: **1998-10-02**
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FILER

RESTAURANT TEAMS INTERNATIONAL INC

CIK: **921066** | IRS No.: **752337102** | State of Incorpor.: **TX** | Fiscal Year End: **1231**
Type: **S-8** | Act: **33** | File No.: **333-65299** | Film No.: **98720430**
SIC: **5812** Eating places

Mailing Address
1705 E WHALEY
LONGVIEW TX 75605

Business Address
1705 E WHALEY
LONGVIEW TX 75605
8002592675

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As filed with the Securities and Exchange Commission on October 1, 1998

Registration No. 33-_____

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-8
REGISTRATION STATEMENT
Under
The Securities Act of 1933

RESTAURANT TEAMS INTERNATIONAL, INC.
(Exact name of the Company as specified in its charter)

Texas
(State or other jurisdiction of
incorporation or organization)

75-2337102
(I.R.S. Employer
Identification No.)

1705 E. Whaley
Longview, Texas 75605
(Address of principal executive offices)

RESTAURANT TEAMS INTERNATIONAL, INC.
1996 INCENTIVE STOCK OPTION PLAN

Mr. Stanley L. Swanson
Restaurant Teams International, Inc.
1705 E. Whaley
Longview, Texas 75605
(Name and address of agent for service)

(903) 758-2811
(Telephone number, including area code, of agent for service)

With copies to:

Ronald L. Brown, Esq.
Glast, Phillips & Murray, P.C.
13355 Noel Road, Suite 2200
Dallas, Texas 75240
(972)419-8300

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CALCULATION OF REGISTRATION FEE

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Title of Securities to be Registered	Amount of be Registered(1)	Proposed Maximum Offering Price per Share(2)	Proposed Maximum Aggregate Offering Price (1) (2)	Amount of Registration Fee(2)
Common Stock, \$0.01	100,000	\$2.1875	\$218,750	\$65.00

</TABLE>

(1) In addition, pursuant to Rule 416(c) under the Securities Act of 1933, as amended (the "Securities Act"), this Registration Statement also covers an indeterminate number of additional shares that may be issuable in connection with share splits, share dividends or similar transactions.

(2) Estimated pursuant to Rule 457(c) under the Securities Act, solely for the purpose of calculating the registration fee, based on the average of the bid and asked prices for the Company's common stock as reported within five business days prior to the date of this filing.

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PART I

INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

Item 1. Plan Information. *

Item 2. Registrant Information and Employee Plan Annual Information. *

*The document(s) containing the information specified in Part 1 of Form S-8 will be sent or given to participants as specified by Rule 428(b)(1) promulgated by the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"). Such document(s) are not being filed with the Commission, but constitute (along with the documents incorporated by reference into the Registration Statement pursuant to Item 3 of Part II hereof) a prospectus that meets the requirements of Section 10(a) of the Act.

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PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Certain Documents by Reference.

The following documents previously or concurrently filed by Restaurant Teams International, Inc. (the "Company") with the Commission are hereby incorporated by reference into this Registration Statement:

- (a) The Company's Annual Report on Form 10-KSB for the fiscal year ended December 31, 1997 (the "Annual Report") filed by the Company (SEC File No. 001-13559) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), with the Commission.
- (b) The Company's Form 10-QSB for the quarter ended June 30, 1998.
- (c) All other reports filed pursuant to Section 13(a) or 15(d) of the Exchange Act since the end of the fiscal year covered by the Annual Report referred to in (a) above.
- (d) The description of the Company's Common Stock set forth under the caption "Description of Securities" at page 16 of the Company's Registration Statement on Form 10SB/A-3, filed with the Commission on October 23, 1997, is hereby incorporated by reference.

All documents subsequently filed by the Company with the Commission pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, prior to the filing of a post-effective amendment which indicates that all securities offered hereby have been sold or which deregisters all securities then remaining unsold, shall be deemed incorporated by reference into this Registration Statement and to be a part thereof from the date of the filing of such documents. Any statement contained in the documents incorporated, or deemed to be incorporated, by reference herein or therein shall be deemed to be modified or superseded for purposes of this Registration Statement and the prospectus which is a part hereof (the "Prospectus") to the extent that a statement contained herein or therein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein or therein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed,

except as so modified or superseded, to constitute a part of this Registration Statement and the Prospectus.

Item 4. Description of Securities.

Not applicable.

Item 5. Interests of Named Experts and Counsel.

Not applicable.

Item 6. Indemnification of Directors and Officers.

In accordance with the Texas Business Corporation Act, Article IV of the Company's Bylaws provides that the Company may advance expenses to and indemnify directors, officers, employees, agents and other persons who may have advanced expenses and be indemnified under applicable law.

Section 2.02-1 of the Texas Business Corporation Act permits indemnification of directors and officers of the Company and officers and directors of another corporation, partnership, joint venture, trust, or other enterprise who serve at the request of the Company, against expenses, including attorneys fees, judgments, fines and amounts paid in settlement actually and reasonable incurred by such person in connection with any action, suit or proceeding in which such person is a party by reason of such person being or having been a director or officer of the Company or at the request of the Company, if he conducted himself in good faith and in a manner he reasonably believed to be in or not

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opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The Company may not indemnify an officer or a director with respect to any claim, issue or matter as to which such officer or director shall have been adjudged to be liable to the Company, unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper. To the extent that an officer or director is successful on the merits or otherwise in defense on the merits or otherwise in defense of any action, suit or proceeding with respect to which such person is entitled to indemnification, or in defense of any claim, issue or matter therein, such person is entitled to be indemnified against expenses, including attorney's fees, actually and reasonably incurred by him in connection therewith.

The circumstances under which indemnification is granted in an action brought on behalf of the Company are generally the same as those set forth above; however, expenses incurred by an officer or a director in defending a civil or criminal action, suit or proceeding may be paid by the Company in advance of final disposition upon receipt of an undertaking by or on behalf of such officer or director to repay such amount if it is ultimately determined that such officer or director is not entitled to indemnification by the Company.

No director of the Company shall be personally liable to the Company or any of its shareholders for damages for any act or omission in such capacity except to the extent Texas law expressly precludes limitation of such personal liability, which it does when the director is found liable for a breach of his duty of loyalty, an act or omission not in good faith that constitutes a breach of duty or intentional misconduct or knowing violation of law, a transaction from which the director received an improper benefit or any other case where liability is provided by statute.

Item 7. Exemption from Registration Claimed.

Not Applicable.

Item 8. Exhibits.

See the Exhibit Index following the signature page in this Registration Statement, which Exhibit Index is incorporated herein by reference.

Item 9. Undertakings.

(a) The undersigned Company hereby undertakes:

- (1) To file, during any period in which offers or sales are being made, a post-effective amendment to the Registration Statement to:
 - (i) include any prospectus required by Section 10(a)(3) of the Securities Act; (ii) reflect in the prospectus any facts or events arising after the effective date of the Registration Statement which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement; and notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of a prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration" table in the effective registration statement; and (iii) include any material information with respect to the plan of distribution not previously disclosed in the

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Registration Statement or any material change to such information in the Registration Statement, provided however, that provisions (i) and (ii) of this undertaking are inapplicable if the information to be filed thereunder is contained in periodic reports filed by the Company pursuant to the Exchange Act that are incorporated by reference into the Registration Statement.

- (2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
 - (3) To remove from registration by means of post-effective amendment any of the securities being registered which remains unsold at the termination of the offering.
- (b) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the Company has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Company will, unless in the opinion of its

counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by its is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

- (c) The Company hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Company's annual report pursuant to Section 13(a) or 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in this Registration Statement shall be deemed to be a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Company certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Longview, State of Texas, on October 1, 1998.

RESTAURANT TEAMS INTERNATIONAL, INC.

By: /s/ Stanley L. Swanson

Stanley L. Swanson
Chief Executive Officer and
Chairman of the Board of Directors
(Principal Executive Officer)

By: /s/ Curtis A. Swanson

Curtis A. Swanson, Vice President
and Chief Financial Officer

By: /s/ Jean Hedges

Jean Hedges, Controller and
Principal Accounting Officer

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POWER OF ATTORNEY

Know all men by these presents, that each person whose signature appears below constitutes and appoints Curtis A. Swanson, his true and lawful attorney-in-fact and agent, each will full power of substitution and re-substitution, for them and in their name, place and stead, in any and all capacities to sign any or all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibit thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and

authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as they might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or any of the, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by each of the following persons in the capacities indicated on the dates indicated below on October 1, 1998.

Signatures	Title
/s/ Stanley L. Swanson ----- Stanley L. Swanson	President, Chief Executive Officer and Chairman of the Board of Directors
/s/ Edward Dmytryk ----- Edward Dmytryk	Director
/s/ Robert Lilly ----- Robert Lilly	Director
/s/ Henry Leonard ----- Henry Leonard	Director

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RESTAURANT TEAMS INTERNATIONAL, INC.

EXHIBIT INDEX
TO
FORM S-8 REGISTRATION STATEMENT

Exhibit No. ---	Description -----	Incorporated Herein by Reference To -----	Filed Herewith -----	Sequential Page No. -----
<S>			<C>	<C>
3.1	Articles of Incorporation of Restaurant Teams International, Inc., as amended	Exhibits 2.1 and 2.2 of the Form 10SB Registration Statement filed with the Commission on October 23, 1997 (SEC File No. 001-13559)		
3.2	Bylaws of Restaurant Teams International, Inc.	Incorporated by reference to Exhibit 2.3 of Form 10SB filed with the Commission on October 23, 1997 (SEC File No. 001-13559)		
4.1	Restaurant Teams International, Inc. 1996 Incentive Stock Option Plan		X	
5.1	Opinion of Glast, Phillips & Murray, P.C.			

X

23.1	Consent of T.G. Prothro & Company, PLLC	X	
23.2	Consent of Glast, Phillips & Murray, P.C. (included in Exhibit 5.1)		
24.1	Power of Attorney		Included on Signature Page to the Registration Statement

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FRESH'N LITE, INC.

1996 INCENTIVE STOCK OPTION PLAN

I. Purpose of the Plan

Fresh'n Lite, Inc. 1996 Incentive Stock Option Plan (the "Plan") is intended to provide a means whereby key employees and directors of Fresh'n Lite, Inc., a Delaware corporation (together with any "parent" or "subsidiary" as defined in Section 424 of the Code, the "Company"), may develop a sense of proprietorship and personal involvement in the development and financial success of the Company, and to encourage them to remain with and devote their best efforts to the business of the Company, thereby advancing the interests of the Company and its shareholders. Accordingly, the Company may grant to directors and key employees ("Optionees") the option (the "Option") to purchase shares of Common Stock, without par value (the "Stock"), of Fresh'n Lite Inc., as hereinafter set forth. It is intended that Options granted under the Plan will qualify as "incentive stock options" as defined under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"). No stock options other than incentive stock options may be granted under the Plan.

II. Administration

The Plan shall be administered by the Board of Directors of the Company or such committee of members of the Board as the Board may appoint (the "Committee"); however, if the Company becomes subject to the reporting requirements of the Securities Exchange Act of 1934 ("1934 Act"), the members of the Committee shall be "non employee directors" within the meaning of paragraph (d)(8) of Rule 16b-3 which has been adopted by the Securities and Exchange Commission under the 1934 Act, as such Rule or its equivalent is then in effect. Committee members may resign at any time by delivering written notice to the Board of Directors. Vacancies in the Committee, however caused, shall be filled by the Board of Directors. The Committee shall have sole authority to select the persons who are to be granted Options from among those eligible hereunder and to establish the number of shares which may be issued under each Option. The Committee is authorized to interpret the Plan and may from time to time adopt such rules and regulations, not inconsistent with the provisions of the Plan, as it may deem advisable to carry out the Plan. The Committee shall act by a majority of its members in office and the Committee may act either by vote at a telephonic or other meeting or by a memorandum or other written instrument signed by all of the members of the Committee. All decisions made by the Committee in selecting the persons to whom Options shall be granted, in establishing the number of shares which may be issued under each Option, and in construing the provisions of the Plan shall be final. In its absolute discretion, the Board of Directors may at any time and from time to time exercise any and all rights and duties of the Committee under the Plan.

The day-to-day administration of the Plan may be carried out by such officers and employees of the Company as shall be designated from time to time by the Committee. Members of the Committee shall not receive compensation for their services as members, but all expenses and liabilities they incur in connection with the administration of the Plan shall be borne by the Company. The Committee may employ attorneys, consultants, accountants, appraisers, brokers or other persons, and the Committee, the Board, the Company and the officers and employees of the Company shall be entitled to rely upon the advice, opinions or valuations of any such persons. The interpretation and construction by the Committee of any provisions of the Plan or of any grant under the Plan and any determination by the Committee under any provision of the Plan or any such grant shall be final and conclusive for all purposes. Neither the Committee nor any member thereof shall be liable for any act, omission, interpretation, construction or determination made in connection with the Plan in good faith, and the members of the Committee shall be entitled to indemnification and reimbursement by the Company in respect of any claim, loss, damage or expense (including counsel fees) arising therefrom to the full extent permitted by law. The members of the Committee shall be named as insureds under any directors and officers liability insurance coverage that may be in effect from time to time.

III. Eligibility of Optionee

(a) Options may be granted only to individuals who are members of the Board of Directors or key employees (including officers who are also key employees) of the Company at the time the Option is granted. Options may be granted to the same individual on more than one occasions. In no event shall any employee or his legal representatives, heirs, legatees, distributees or successors have any right to participate in the Plan except to such extent, if any, as the Committee shall determine.

(b) No employee or director shall be eligible to receive any Option if, on the Grant Date, such employee owns (including ownership through the attribution provisions of Section 424 of the Code), in excess of ten percent (10%) of the outstanding voting stock of the Company (or of its parent or subsidiary as defined in Section 424 of the Code) unless the following two conditions are met:

(i) the option price for the shares of Stock subject to the Option is at least 110% of the fair market value of the shares of Stock on the date the Option is granted (the "Grant Date"); and

(ii) the Option Agreement (defined below) provides that the term of the Option does not exceed five (5) years.

(c) No employee or director shall be eligible to receive Options under

this Plan (and all other option plans of the Company) that are exercisable

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for the first time by such Optionee in any calendar year with respect to stock with an aggregate fair market value (determined at the Grant Date) in excess of \$100,000.

IV. Shares Subject to the Plan

The aggregate number of shares of Stock which may be issued under Options granted under the Plan shall not exceed 100,000 shares. Such shares may consist of authorized but unissued shares of Stock or previously issued shares of Stock reacquired by the Company. Any of such shares which remain unissued and which are not subject to outstanding options at the termination of the Plan shall cease to be subject to the Plan, but until termination of the Plan, the Company shall at all times make available a sufficient number of shares to meet the requirements of the Plan. Should any Option hereunder expire or terminate prior to its exercise in full, the shares theretofore subject to such Option may again be subject to an Option granted under the Plan. The aggregate number of shares which may be issued under Options granted under the Plan shall be subject to adjustment as provided in Paragraph VIII hereof. Exercise of an Option in any manner, or cancellation of an Option as provided in Paragraph V hereof (except the last paragraph of said Paragraph V), shall result in a decrease in the number of shares of Stock Which may thereafter be available for purposes of the Plan by the number of shares as to which the Option is exercised or cancelled.

V. Option Agreements

Each Option shall be evidenced by a written agreement (an "Option Agreement") executed by the Optionee and an authorized officer of the Company, which shall contain such terms, conditions and restrictions, and may be exercisable at such times and for such periods, as may be approved by the Committee; provided, however, that no option may be exercised to any extent after, and every Option shall expire no later than, the tenth anniversary of the Grant Date. Options that are granted shall be evidenced by Option Agreements in the form approved or authorized by the Board. The terms, conditions and restrictions of separate Option Agreements need not be identical. Specifically, an Option Agreement (i) may provide for the cancellation at any time by the Company in its sole discretion of the right to purchase all or part of the shares under the Option in return for a payment in cash or shares of Stock or a combination of cash and shares of Stock equal in value to the excess (if any of the fair market value of the shares with respect to which the right to purchase is cancelled over the option price therefor, i.e., the "spread," and/or (ii) may provide that upon exercise of the Option, such exercise may be treated by the Company as a cancellation of the Option with respect to those shares by the

payment to the Optionee of the spread, all on such terms and conditions as the Committee in its sole discretion may prescribe. Moreover, an Option Agreement may provide for the payment of the option price, in whole or in part, by the delivery of a number of shares of Stock (plus cash if necessary) having a fair market value equal to such option price.

The purchase price per share of Stock issued under each Option shall be determined by the Committee and shall not be less than the fair market value of

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a share of Stock on the Grant Date or 110% of such value in the case of a holder of 10% of the Stock of the Company. For the purposes of the Plan and any Option Agreement, the determination of the fair market value of a share of Stock on any particular date shall be made in good faith by the Committee and such determination shall be binding for all purposes.

The Committee may accelerate the exercisability of any Option in its sole discretion and also may modify an outstanding Option, including reducing the exercise price of the Option, or cancel an outstanding Option in exchange for the grant of a new Option with such terms and conditions that are in accordance with the Plan at the time of such grant; provided that any Option, as so amended, or any such new Option, will qualify as an incentive stock option under Section 422 of the Code.

VI. Exercise of Options

During the lifetime of the Optionee, only the Optionee (or if incapacitated, his duly authorized representative) may exercise an Option granted to him, or any portion thereof. After the death of Optionee, any exercisable portion of an Option may, prior to the time when such portion becomes unexercisable pursuant to Paragraph V or the Option Agreement, be exercised by his personal representative or by any person empowered to do so under the deceased Optionee's will or under the then applicable laws of descent and distribution.

At any time and from time to time prior to the time when any exercisable Option or exercisable portion thereof expires or becomes unexercisable pursuant to Paragraph V or the Option Agreement, such exercisable Option or exercisable portion thereof may be exercised in whole or in part; provided, however, that the Company shall not be required to issue fractional shares and the Committee may, in the Option Agreement, require any partial exercise to be made with respect to a specified minimum number of shares.

An exercisable Option, or any exercisable portion thereof, may be exercised solely by delivery to the Secretary of the Company of all of the following prior to the time when such Option becomes unexercisable:

(a) notice in writing signed by the Optionee or other person then entitled to exercise such Option or portion thereof, stating that such Option or portion thereof is exercised;

(b) full payment of the option price (in cash or by check, bank draft or money order payable to the Company for the shares of Stock with respect to which such Option or portion thereof is thereby exercised), together with payment or arrangement for payment of any federal, state or other tax required to be withheld by the Company with respect to such exercise;

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(c) such representations and documents as the Committee reasonably deems necessary or advisable to effect compliance with all applicable provisions of the Securities Act of 1933, and any other federal, state or foreign securities laws or regulations; the Committee, in its absolute discretion, also may take whatever additional actions it deems appropriate to effect such compliance, including, without limitation, placing legends on share certificates and issuing stop transfer orders to transfer agents and registrars; and

(d) in the event that the Option or portion thereof shall be exercised pursuant to this Paragraph VI by any person or persons other than the Optionee, appropriate proof of the right of such person or persons to exercise the Option or portion thereof.

VII Transferability of Options and Stock

No Option or interest or right therein shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means, whether such disposition be voluntary or involuntary or by operation of law or by judgment, levy, attachment, garnishment or any other legal or equitable proceeding (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect; provided, however, that nothing in this Paragraph VII shall prevent transfers by will or by the applicable laws of descent and distribution.

The Committee, in its absolute discretion, may impose such restrictions on the transferability of the shares of Stock purchasable upon the exercise of an Option as it deems appropriate, including without limitation (i) the right to exercise a right of first refusal in the event of an offer to purchase the Stock from the Optionee or any transferee of the Optionee, (ii) the right of the Company to repurchase the shares of Stock from the Optionee or any transferee of the Optionee and (iii) the right to require an escrow of the certificates evidencing the shares of Stock. Any such restriction shall be set forth or incorporated by reference in the respective Option Agreement and may be referred to on the certificates evidencing such Stock.

VIII. Recapitalization, Reorganization or Change in Control

(a) The existence of the Plan and the Options granted hereunder shall not affect in any way the right or power of the Board of Directors or the shareholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, any merger or consolidation of the Company, any issue of debt or equity securities ahead of or affecting Stock or the rights thereof, the dissolution or liquidation of the Company or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding.

(b) The shares with respect to which Options may be granted are shares of Stock as presently constituted, but if, and whenever, prior to the termination

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of the Plan or the expiration of an Option theretofore granted, the Company shall effect a subdivision or consolidation of shares of Stock or the payment of a stock dividend on Stock without receipt of consideration by the Company, the remaining shares of Stock available under the Plan and the number of shares of Stock with respect to which any Option may thereafter be exercised (i) in the event of an increase in the number of outstanding shares, shall be proportionately increased, and the purchase price per share under an outstanding Option shall be proportionately reduced, and (ii) in the event of a reduction in the number of outstanding shares, shall be proportionately reduced, and the purchase price per share under an outstanding Option shall be proportionately increased.

(c) Except as may otherwise be expressly provided in the Plan, the issuance by the Company of shares of stock of any class or securities convertible into shares of stock of any class, for cash, property, labor or services, upon direct sale, upon the exercise of rights or warrants to subscribe therefor, or upon conversion of shares or obligations of the Company convertible into such shares or other securities, and in any case whether or not for fair value, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number of shares of Stock subject to Options theretofore granted or the purchase price per share.

(d) If the Company effects a recapitalization or otherwise materially changes its capital structure (both of the foregoing are herein referred to as a "Fundamental Change"), then thereafter upon any exercise of an Option theretofore granted the Optionee shall be entitled to purchase under such Option, in lieu of the number of shares of Stock as to which such Option shall then be exercisable, the number and class of shares of stock and securities to which the Optionee would have been entitled pursuant to the terms of the Fundamental Change if, immediately prior to such Fundamental Change, the Optionee had been the holder of record of the number of shares of Stock as to which such Option is then exercisable.

(e) If (i) the Company shall not be the surviving entity in any merger or

consolidation (or survives only as a subsidiary of another entity), (h) the Company sells all or substantially all of its assets to any other person or entity (other than a wholly-owned subsidiary), (iii) any person or entity (including a "group" as contemplated by Section 13(d)(3) of the 1934 Act) after the date hereof acquires or gains ownership or control of (including, without limitation, power to vote) more than 50% of the outstanding shares of Stock, (iv) the Company is to be dissolved and liquidated, or (v) as a result of or in connection with a contested election of directors, the persons who were directors of the Company before such election shall cease to constitute a majority of the Board (each such event in clauses (i) through (v) above is referred to herein as a "Corporate Change"), then, effective as of a date selected by the Committee, which date shall be (a) in the event of the occurrence of a Corporate Change specified in clause (i), (ii) or (iv) above, no later than a date determined by the Committee to be far enough in advance of the date of such Corporate Change to permit each Optionee to exercise such Optionee's Option to purchase shares of Stock and participate therewith in such Corporate Change or (b) in the event of the occurrence of a Corporate Change

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specified in clause (iii) or (v) above, no later than thirty days after such Corporate Change, the Committee (which for purposes of the Corporate Changes described in (iii) and (v) above shall be either the Committee as constituted prior to the occurrence of such Corporate Change or, if no Committee had been appointed, the Board of Directors as constituted prior to the occurrence of such Corporate Change) acting in its sole discretion without the consent or approval of any Optionee, shall effect one or more of the following alternatives or combination of alternatives with respect to all outstanding Options (which alternatives may be made conditional on the occurrence of any of the Corporate Changes specified in clause (i) through (v) above and which may vary among Individual Optionees): (1) in the case of a Corporate Change specified in clauses (i), (ii) or (iv), accelerate the time at which Options then outstanding may be exercised so that such Options may be exercised in full for a limited period of time on or before a specified date fixed by the Committee, after which specified date all unexercised Options and all rights of Optionees thereunder shall terminate, (2) accelerate the time at which Options then outstanding may be exercised so that such Options may be exercised in full for their then remaining term or (3) require the mandatory surrender to the Company of outstanding Options held by such Optionees (irrespective of whether such Options are then exercisable under the provisions of the Plan) as of a date, before or not later than sixty days after such Corporate Change, specified by the Committee, and in such event the Committee shall thereupon cancel such Options and the Company shall pay to each Optionee an amount of cash equal to the excess of the fair market value of the aggregate shares of Stock subject to such Option, determined as of the date such Corporate Change is effective, over the aggregate option price of such shares; provided, however, the Committee shall not select an alternative (unless consented to by the Optionee) such that, if an Optionee exercised his accelerated Option pursuant to alternative 1 or 2 and

participated in a transaction specified in clause (i), (ii) or (iv) or received cash pursuant to alternative 3, the alternative would result in the Optionee's owing any money by virtue of operation of Section 16(b) of the 1934 Act. If all such alternatives have such a result, the Committee shall take such action, which is hereby authorized, to put such Optionees in as close to the same position as such Optionee would have been in had alternative 1, 2, or 3 been selected but without resulting in any payment by such Optionee pursuant to Section 16(b) of the 1934 Act. Notwithstanding the foregoing, (I) with the consent of the Optionee, the Committee may in lieu of the foregoing make such provision with respect to any Corporate Change as it deems appropriate, and (II) in the event that a Corporate Change described in clauses (i), (ii) or (iii) occurs, but such Corporate Change does not result in any effective change in ownership or control of the Company, the Committee shall make such adjustments in the designation and number of unpurchased shares subject to this Plan, the number of shares subject to Options outstanding under this Plan, the exercise price specified in Options outstanding under the Plan, and such other terms and provisions of the Options outstanding under this Plan as the Committee may determine to be appropriate and equitable.

(f) Any adjustment provided for above shall be subject to any shareholder action required by applicable Texas corporate law.

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IX Optionee Rights Limited

Nothing in this Plan or in any Option Agreement hereunder shall confer upon any Optionee any right to continue in the employ of the Company or shall interfere with or restrict in any way the rights of the Company, which are hereby expressly reserved, to discharge any Optionee at any time for any reason whatsoever, with or without just cause.

The holders of Options shall not be, nor have any of the rights or privileges of, shareholders of the Company in respect to any shares purchasable upon the exercise of any part of an Option unless and until certificates representing such shares have been issued by the Company to such holders.

X. Term of Plan

The Plan shall be effective upon the date specified by the Board of Directors in its adoption of the Plan. Except with respect to Options then outstanding, if not sooner terminated under the other provisions hereof, the Plan shall terminate upon and no further Options shall be granted after the expiration of ten years from the date of its adoption by the Board of Directors. The adoption of this Plan shall not affect any other compensation or incentive plans in effect for the Company or any subsidiary. Nothing in this Plan shall be construed to limit the right of the Company or any subsidiary to grant or assume

options otherwise than under this Plan in connection with any proper corporate purpose, including, but not by way of limitation, the grant or assumption of options in connection with the acquisition by purchase, lease, merger, consolidation or otherwise, of the business, stock or assets of any corporation, firm or association.

XI. Amendment or Termination of the Plan

The Board of Directors in its discretion may terminate the Plan at any time with respect to any shares for which Options have not theretofore been granted. The Board of Directors shall have the right to alter or amend the Plan or any part thereof from time to time; provided, that no change in any Option theretofore granted may be made which would impair the rights of the Optionee without the consent of such Optionee; and provided, further, that the Board of Directors or the Committee may not make any alterations or amendment which would materially increase the benefits accruing to Optionees under the Plan, increase the aggregate number of shares which may be issued pursuant to the provisions of the Plan, change the class of employees eligible to receive Options under the Plan or extend the term of the Plan, without the approval of the holders of a majority of the outstanding shares of each class of capital stock of the Company voting or acting separately as a class.

EXHIBIT 5.1

GLAST, PHILLIPS & MURRAY
A PROFESSIONAL CORPORATION

ATTORNEYS AND COUNSELORS

2200 ONE GALLERIA TOWER
13355 NOEL ROAD, L.B. 48
DALLAS, TEXAS 75240-6657

RONALD L. BROWN, P.C.

DIRECT DIAL NUMBER:
(972) 419-8302

TELEPHONE: (972) 419-8300
FAX: (972) 419-8329

October 1, 1998

Restaurant Teams International, Inc.
1705 E. Whaley
Longview, Texas 75605

Re: Form S-8 Registration Statement relating to the registration of 100,000 shares of common stock, \$.01 par value of Restaurant Teams International, Inc. pursuant to the 1996 Incentive Stock Option Plan

Gentlemen:

We are acting as counsel for Restaurant Teams International, Inc., a Texas corporation (the "Company"), in connection with the filing under the Securities Act of 1933, as amended, of a Registration Statement for the Company on Form S-8 filed with the Securities and Exchange Commission ("SEC") (the "Registration Statement"), covering an aggregate of 100,000 shares (the "Shares") of common stock, par value \$.01 per share (the "Common Stock"), of the Company which will be issued pursuant to the 1996 Incentive Stock Option Plan (the "Plan").

In that connection, we have examined the Form S-8 Registration Statement in the form to be filed with the SEC. We have also examined and are familiar with the originals or authenticated copies of all corporate or other documents, records and instruments that we have deemed necessary or appropriate to enable us to render the opinion expressed below.

We have assumed that all signatures on all documents presented to us are genuine, that all documents submitted to us as originals are accurate and complete, that all documents submitted to us as copies are true and correct copies of the originals thereof, that all information submitted to us was accurate and complete and that all persons executing and delivering originals or copies of documents examined by us were competent to execute and deliver such documents. In addition, we have assumed that the Shares will not be issued for

consideration equal to less than the par value thereof and that the form of consideration to be received by the Company for the Shares will be lawful consideration under the Texas Business Corporation Act.

Based on the foregoing and having due regard for the legal considerations we deem relevant, we are of the opinion that the Shares, or any portion thereof, when issued as described in the Registration Statement, will be validly issued by the Company, fully paid and nonassessable.

Restaurant Teams International, Inc.

October 1, 1998

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This opinion is limited in all respects to the laws of the United States of America the Texas Business Corporation Act.

This opinion may be filed as an exhibit to the Registration Statement.

Sincerely,

GLAST, PHILLIPS & MURRAY, P.C.

/s/ Glast, Phillips & Murray, P.C.

EXHIBIT 23.1

October 1, 1998

Restaurant Teams International, Inc.
1705 E. Whaley
Longview, Texas 75605

Gentlemen:

We hereby consent to the incorporation by reference of our report dated March 3, 1998 covering the financial statements of Restaurant Teams International, Inc. (formerly Fresh 'n Lite, Inc.) as of December 31, 1997 and for the two years ended December 31, 1997 into the Form S-8 registration statement dated October 1, 1998, covering an aggregate of 100,000 shares of common stock pursuant to the Company's 1996 Incentive Stock Option Plan.

T.G. PROTHRO & COMPANY, PLLC

/s/ T.G. Prothro & Company, PLLC
