

SECURITIES AND EXCHANGE COMMISSION

FORM 10-K

Annual report pursuant to section 13 and 15(d)

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FILER

TRANSMEDIA NETWORK INC /DE/

CIK: **78536** | IRS No.: **846028875** | State of Incorporation: **DE** | Fiscal Year End: **0930**
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SIC: **7389** Business services, nec

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended September 30, 1996

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 0-4028

TRANSMEDIA NETWORK INC.

(Exact name of Registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of
incorporation or organization)

84-6028875
(I.R.S Employer
Identification No.)

11900 Biscayne Boulevard, Miami, Florida 33181

(Address of principal executive offices) (zip code)

305-892-3300

Registrant's telephone number,
including area code)

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

TITLE OF EACH CLASS

Name of each exchange
on which registered

None

None

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

COMMON STOCK, PAR VALUE \$.02 PER SHARE

(Title of Class)

Indicate by (X) whether the Registrant (1) has filed all reports required to be
filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the
preceding 12 months and (2) has been subject to such filing requirements for the
past 90 days.

Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405
of Regulation S-K is not contained herein, and will not be contained, to the
best of Registrant's knowledge, in definitive proxy or information statements
incorporated by reference in Part III of this Form 10-K or any amendment to this
Form 10-K.

Aggregate market value of voting stock held by non-affiliates of the Registrant as of December 9, 1996 \$44,361,461.00.

Items 6, 7 and 8 hereof are omitted in accordance with Rule 12b-25(d).

Number of shares outstanding of Registrant's Common Stock, as of December 30, 1996: 10,126,926.

DOCUMENTS INCORPORATED BY REFERENCE:

DOCUMENT -----	Location in Form 10-K in which DOCUMENT IS INCORPORATED -----
Registrant's Proxy Statement relating to the 1997 Annual Meeting of Stockholders	Part III

PART I

ITEM 1. BUSINESS

GENERAL

Transmedia Network Inc., through its operating subsidiaries (collectively, the "Company"), owns and markets a charge card ("The Transmedia Card") offering savings to the Company's cardmembers on dining costs for restaurants both within and outside the United States from which the Company, its franchisees and its licensees have purchased food and beverage credits. The Company also offers to holders of The Transmedia Card savings on lodging costs at selected hotels, resorts, golf courses and ski lifts around the country and on purchases of merchandise from selected retailers. The Company's cardholders also have access to discount long distance telephone services through a program the Company operates jointly with a subsidiary of General Electric Company. The Company derives its income principally from retaining the difference between the amounts paid in advance by the Company to restaurants and amounts paid by cardmembers to the Company (through their credit card companies) for the related meals and from cardmember membership fees. The Company also enters into contracts with companies which own hotels, golf courses and ski lifts as well as merchandise retailers. In exchange for listing in the Company's directory, the Company receives commissions when Transmedia cardholders frequent these establishments. The Company also receives commissions when cardholders use their Transmedia/GE Capital telephone cards. The Company derives income from franchising and licensing The Transmedia Card and related proprietary rights and know-how, including rights to solicit restaurants, hotels, resorts and motels and acquire food, beverage and lodging credits, in the United States. The Company also receives revenue from licensing The Transmedia Card and related proprietary rights and know-how outside the United States.

CORPORATE STRUCTURE

The Company commenced operations in 1984 and was reincorporated as a Delaware corporation in 1987. Currently, it has the following principal operating subsidiaries:

/bullet/ Transmedia Service Company Inc. which is responsible

for soliciting and servicing all cardmembers in the United States and for all domestic franchising of The Transmedia Card and related property rights and know-how.

/bullet/ Transmedia Restaurant Company Inc. which is responsible for obtaining and servicing restaurants and obtaining other locations

such as hotels, golf courses and ski lifts and retailers where the Transmedia Card may be used.

/bullet/ TMNI International Incorporated which licenses the Transmedia Card, service marks, proprietary software and know-how outside the United States and has licensed rights to Europe, Turkey, the countries comprising the former Union of Soviet Socialist Republics, Australia, New Zealand and the Asia-Pacific region to date.

DESCRIPTION OF RIGHTS TO RECEIVE AND THE TRANSMEDIA CARD

The Company's primary business is the acquisition of Rights to Receive from participating establishments which are then sold for cash to holders of The Transmedia Card. "Rights to Receive" are rights to receive goods and services, principally food and beverages, which are acquired and purchased from participating restaurants, for an amount equal to approximately fifty percent (50%) of the food and beverage credits or by financing the purchase of other goods or services as well as for having provided advertising and media placement services to the participating establishments. Approximately ninety percent (90%) of Rights to Receive are purchased for cash. The Company typically purchases that amount of food and beverage credits which will be consumed in a period of no more than six months; however, it has not always been possible for the Company to predict with accuracy the amount of time in which such credits will be consumed, especially when the Company begins operating in new areas, as evidenced by the 1996 turn on Rights to Receive of 1.42 times, or 257 days.

The Transmedia Card is only issued to applicants who are determined to be creditworthy by virtue of their having a current, valid MasterCard, Visa, Discover or American Express credit card or who are otherwise deemed creditworthy by Company management. The Transmedia Cardmembers have a choice of programs, including a "Free for Life" Transmedia Card which affords them 20% savings at participating establishments, an account which offers mileage credits with Continental Airlines, Delta Airlines and United Airlines of 10 miles for each dollar spent on food and beverage at participating establishments for a one-time fee of \$9.95, and a card which offers a 25% savings at participating establishments, for which there is a \$50 annual fee. Each account may have more than one user and, accordingly, more than one cardmember.

In presenting The Transmedia Card, cardmembers sign for the goods or services rendered, as well as for the taxes and tips as they would with any other charge card. The Company, upon obtaining the receipt (directly or via electronic point of sale transmission) from the appropriate establishment, gives the establishment credit against Rights to Receive which are owned by the Company. The Company then (i) processes the receipt through the cardmember's MasterCard, Visa, Discover or American Express card

account, which remits to the Company the full amount of the bill, and (ii) credits to the cardmember's MasterCard, Visa, Discover or American Express account the appropriate discount or credits to the cardmember's airline account the appropriate mileage. Taxes and tips are not discounted and such sums are remitted to the various establishments.

DOMESTIC FRANCHISING

In 1990, the Company commenced franchising The Transmedia Card (then known as The Restaurant Card) and related proprietary rights and know-how, including rights to solicit restaurants and acquire Rights to Receive, in the United States. At September 30, 1996, the Company had franchises in the following territories: a large part of New Jersey, California, the Washington, D.C./Baltimore, Maryland Metropolitan area, Dallas, Ft. Worth and Houston, Texas, the States of Virginia, North Carolina, South Carolina, Washington and Oregon and Atlanta, Georgia, eastern Tennessee, Reno, Nevada and the Nevada side of Lake Tahoe. The Company has also granted a certain third party an option to acquire a franchise for the State of Hawaii. The Company has determined that it will no longer offer franchises at various locations throughout the United States. In November 1996, the Company entered into an agreement to terminate the franchise and to purchase certain of the assets of The Western Transmedia Company, Inc., the Company's franchisee in the States of California, Nevada, Oregon and Washington. After the completion of this transaction (which is expected to occur in January 1997), the Company will operate in these States directly.

Each franchise sold by the Company is operated under a ten year franchise agreement that is renewable for one additional ten-year term for all locations. Each agreement provides that the Company will assist the franchisee with marketing, advertising, training and other administrative support; relates to a territory that contains 625 or more full-service restaurants that accept MasterCard, Visa, Discover or American Express credit cards; and licenses the franchisee to use the Company's trademarks in connection with the solicitation of new cardmembers (which is not restricted to the franchisee's territory) and the purchase of Rights to Receive from restaurants in the territory granted to the franchisee. The franchisee is responsible for, among other things, soliciting cardmembers and participating establishments, purchasing Rights to Receive from participating establishments in its territory, and maintaining adequate insurance. In consideration for the grant of the franchise, the franchisee (i) paid to the Company a franchise fee which varies based upon the number of full-service restaurants located within the territory granted to the franchisee, and (ii) pays the following continuing fees during the term of the franchise agreement: (A) 7 1/2% of the total meal credits used within the franchisee's territory; (B) 2 1/2% of the total meal credits sold within the franchisee's territory into the Company's advertising and development fund; (C) a processing fee of \$.20 per sales transaction from the franchisee's territory; and (D) a monthly service charge of \$1.00 per participating establishment in the

franchisee's territory. The franchisee receives a commission from the Company equal to forty percent (40%) of the membership fees paid by all new cardmembers solicited by the franchisee, with a minimum of \$5.00 per account.

U.S. LICENSING

In November, 1995, the Company entered into a license arrangement under which the licensee was authorized to solicit Rights to Receive from various types of resorts, hotels and other entities. The territory covered by the license agreement is the continental United States, excluding the State of Minnesota. The term of this arrangement is ten years, with a potential renewal period of ten years. Under this arrangement, the Company compensates the

licensee through a commission.

NON-U.S. LICENSING

In 1993, the Company commenced licensing The Transmedia Card and related proprietary rights and know-how outside the United States. The Company's non-U.S. operations are conducted by its subsidiary, TMNI International Incorporated. In 1993, the Company granted an exclusive, perpetual license to Transmedia Europe, Inc. to establish the Company's business in Europe, Turkey and the countries that formerly comprised the Union of Soviet Socialist Republics. The license is governed by a Master License Agreement which provides that, among other things, (i) the licensee has the right to sublicense the rights granted under the Master License Agreement to others within the territory, provided that each such sublicense is approved by the Company, (ii) the Company will assist the licensee with training relating to sales, administration, technical and operations of the business, and (iii) the licensee is solely responsible for developing its own market, paying its own expenses for advertising and soliciting cardmembers and participating establishments in its territory. In consideration for the license, the licensee (i) paid the Company a non-refundable purchase price of One Million One Hundred Twenty-Five Thousand (\$1,125,000) Dollars, (ii) will pay to the Company two percent (2%) of the gross volume with respect to the United Kingdom sublicense, (iii) will pay to the Company twenty-five percent (25%) of initial sublicense fees (with a minimum of \$250,000) paid for each country licensed in the territory, (iv) will pay to the Company twenty-five percent (25%) of royalties paid by sublicensees to the licensee, and (v) granted to the Company a five percent (5%) equity interest in the licenses. Melvin Chasen, the Chairman and Chief Executive Officer of the Company, served as a director of the licensee until March 1, 1995. In December 1996, Transmedia Europe Inc. amended the sublicense it had granted for France and expanded the sublicensee's territory to include Belgium and Luxemborg, Italy, Spain and Switzerland (other than the German speaking area).

In 1994, the Company granted an exclusive perpetual license to Transmedia Asia Pacific Inc. to establish the Company's business in Australia, New Zealand and the Asia-Pacific region (such region covering approximately 16 major countries and areas including, among others, Japan, Hong Kong, Taiwan, Korea, the Philippines and India). The licensee also took an option to purchase a franchise for the State of Hawaii. The license granted by the Company is governed by a Master License Agreement which provides, among other things, that (i) the Company will assist the licensee with training relating to sales, administration, technical and operations of the business, and (ii) the licensee is solely responsible for developing its own market, paying its own expenses for advertising and soliciting cardmembers and restaurants in its territory. In consideration for the license, the licensee paid the Company \$1,250,000, and (ii) granted to the Company a five percent (5%) equity interest in the licensee. The license also provides for the following payments to the Company: (i) With respect to sublicenses granted in all territories other than Australia and New Zealand, the licensee will pay to the Company twenty-five percent (25%) of all initial sublicense fees (in no event less than \$500,000 in the People's Republic of China and Japan, and not less than \$250,000 in all other territories), as well as twenty-five percent (25%) of all royalties, transfer fee payments and any other monies received; and (ii) with respect to sublicenses granted in Australia and New Zealand, the licensee will pay to the Company two percent (2%) of gross sales within such territories. Mr. Chasen served as a director of Transmedia Asia Pacific Inc. until March 1, 1995.

In December 1996, the Company entered into an agreement with Transmedia Europe, Inc. and Transmedia Asia Pacific Inc. amending both of the licenses, among other things, to permit the companies to be reorganized under one entity and to allow them to acquire and operate worldwide the business of Countdown plc., which conducts a restaurant discount program in Europe and, to a lesser extent, in the United States.

AREAS OF OPERATION

The Company's principal areas of operation, through its subsidiaries and its domestic franchising operations, include the New York Metropolitan area (consisting of New York City and the counties of Nassau, Suffolk, Westchester, Rockland, Putnam and Orange in New York State, Northern New Jersey and Connecticut); Central, Southwest and Southeast Florida; Massachusetts; the Chicago, Illinois Metropolitan area; Rhode Island; New Hampshire; Maine; Vermont; Philadelphia, Pennsylvania; Phoenix, Arizona; Denver, Colorado; Milwaukee, Wisconsin; Indianapolis, Indiana; California; Delaware; Georgia; the Washington, D.C. Metropolitan area; the Baltimore, Maryland Metropolitan area; North and South Carolina; the Dallas, /Ft. Worth and Houston, Texas Metropolitan areas; Atlanta, Georgia, eastern Tennessee; and Virginia.

PARTICIPATING RESTAURANTS AND CARDMEMBERS

As of September 30, 1996, directories published by the Company, which are distributed to cardmembers six times a year, listed 6,974 restaurants available to cardmembers, and The Transmedia Card was held by an aggregate of 924,418 cardmembers, comprised of 634,761 accounts with an average of 1.46 cardmembers per account. The following table sets forth (i) the number of restaurants listed in directories published by the Company and (ii) the number of cardmembers, as of the fiscal years ended September 30, 1992 through 1996:

	1996	1995	1994	1993	1992
Restaurants	6,974	5,330	3,628	2,328	1,449
Cardmembers	924,418	593,161	395,968	197,166	112,029

As the table indicates, the number of restaurants listed in directories published by the Company has risen nearly three hundred eighty-one percent (381%) during the fiscal years ended September 30, 1992 through September 30, 1996, and the number of cardmembers has risen nearly seven hundred twenty-five percent (725%) for the same period. In fiscal 1996, between fifty-five and sixty percent (55-60%) of all cardmembers renewed their memberships, and approximately ninety percent (90%) of all restaurants listed in the directories published by the Company whose initial amount of Rights to Receive were expended in 1996 renewed their contracts with the Company. In addition, eighty percent (80%) of all restaurants eligible for their second year of renewals in fiscal 1996 renewed their contracts. The Company generally experiences a sharp decline in renewals among restaurants eligible for a third year of renewals. It has been the Company's experience, however, that the addition of new restaurants generally offsets the drop-off in renewing restaurants, and the Company believes that its service areas are not close to cardmember saturation.

MARKETING

The Company markets The Transmedia Card through the use of advertising, direct mail and through promotion with co-marketing partners such as banks and affinity groups.

EMPLOYEES

As of December 20, 1996, the Company employed 145 persons. The Company believes that its relationships with its employees are good.

COMPETITION

The charge card business is highly competitive and the Company competes for both

cardmembers and participating restaurants, hotels and other applicable services. Competitors include discount programs offered by major credit card companies, such as American Express, Visa, MasterCard and Diners Club and

other companies that offer different kinds of discount marketing programs and numerous small companies which offer services which may compete with the services offered or to be offered by the Company. Certain of the Company's competitors may have substantially greater financial resources and expend considerably larger sums than does the Company for new product development and marketing. Further, the Company must compete with many larger and better established companies for the hiring and retaining of qualified marketing personnel. The Company believes that the unique features of its program -- that The Transmedia Card can be used by cardmembers at participating establishments with very few restrictions, that The Transmedia Card provides substantial savings without the need for a cardmember to present discount coupons when paying for a meal, and that participating establishments are provided with cash in advance of customer charges -- contribute to the Company's competitiveness and allow the Company to offer better value and service to its cardmembers.

ITEM 2. PROPERTIES

The Company's present executive office consists of 8,303 square feet, located in Miami, Florida, which the Company occupies pursuant to a lease expiring on February 28, 1997 and which provides for an annual base rental of \$148,860. The Company's Miami office also houses the Company's cardmember service center. The Company has entered into a new lease, which commences on March 1, 1997, for 13,096 square feet, thus adding an additional 4,793 square feet of contiguous space to its current office. The lease will expire on February 28, 2002 and provides for an annual base rent of \$270,825. The Company leases offices in New York City for 5,710 square feet of office space pursuant to a lease entered into in May 1996. The lease, which expires on June 30, 2001, provides for minimum annual rentals of \$199,850. In addition, the Company has a four and one-half year office lease in Philadelphia, Pennsylvania for approximately 1,641 square feet, which commenced April 1, 1994. The lease provides for a base annual rental of approximately \$24,500 in the first year, which will increase by approximately \$800 each year thereafter. In Boston, Massachusetts, the Company has a sixty-four month lease for approximately 1,500 square feet, which commenced May 1, 1995. The lease provides for base annual rentals of \$29,400. The Company has an option for one three-year renewal. In Chicago, the Company has a thirty-nine month lease for approximately 1,183 square feet, which commenced October 1, 1995. The lease provides for an initial annual lease rental of \$26,730 increasing by approximately \$600 each year thereafter. In Detroit, the Company leases an executive office for a twelve-month period which began on May 1, 1995 at an annual fee of \$6,840. In Tampa, the Company leases an executive office for a thirteen-month period which began on June 1, 1995. The total rental for the thirteen month period is \$9,795. In Phoenix, the Company leases an executive office for a thirteen-month period which began on March 6, 1996 for a total rent of \$9,620 for the thirteen months. In Denver, the Company leases on a month-to-month basis, an executive office for \$450 per month.

In connection with the termination of the franchise granted to The Western Transmedia Company Inc. and the acquisition of certain of its assets, the Company will be assuming ongoing leases for two office properties in San Francisco, California and Los Angeles, California. In San Francisco, California, the Company would be assuming a lease for approximately 3,000 square feet, at an annual rent of \$54,686.04 from August 1, 1996 to July 31, 1997, \$57,642.00 from August 1, 1997 to July 31, 1998 and \$60,597.96 from August 1, 1998 to August 31, 1999. The lease expires on August 31, 1999. In Los Angeles, California, the Company would be assuming a lease for approximately 2,000 square feet at a

monthly base rent of approximately \$4,200. The lease expires on January 31, 1997, however, the Company intends to exercise an option to extend the lease for two years at a rental equal to market value.

ITEM 3. LEGAL PROCEEDINGS

As of September 30, 1996, there were no material legal proceedings pending involving the Company.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

During the quarter ended September 30, 1996, no matters were submitted to a vote of the security holders.

EXECUTIVE OFFICERS OF THE REGISTRANT

NAME	POSITION	AGE
----	-----	---
Melvin Chasen	Director, Chairman of the Board, President and Chief Executive Officer	68
James M. Callaghan	Director and Vice President; President of Transmedia Restaurant Company Inc.	57
Barry S. Kaplan	Director and Vice President; President of Transmedia Service Company Inc.	38
David L. Weinberg	Vice President and Chief Financial Officer; President of TMNI International Inc.	51
Paul A. Ficalora	Executive Vice President of Transmedia Restaurant Company Inc.	45
Gregory Borges	Treasurer	60
Kathryn Ferara	Secretary	40

Mr. Chasen has been a director and the Chairman of the Board, President and Chief Executive Officer of the Company since 1983. From 1984 through 1987, he was a director, Chairman of the Board, President and Chief Executive Officer of Transmedia Network Inc., a Colorado corporation, which was the predecessor of the Company.

Mr. Callaghan, a director of the Company since 1991, was elected Vice President of the Company and President of Transmedia Restaurant Company Inc., a subsidiary, in 1994. He joined the Company in 1989 and served as its Executive Vice President, Vice President, Sales and Marketing and Treasurer.

Mr. Kaplan was elected a Vice President of the Company and President of Transmedia Service Company Inc., a subsidiary, in September 1995 and was elected a Director of the Company in March 1996. From 1986 until joining the Company, he served in various positions including Executive Vice President, Chief Operating Officer of Liberty Travel, Inc., a chain of full-service travel agencies.

Mr. Weinberg was elected Vice President and Chief Financial Officer of the Company in 1992 and in 1994 was also elected President of TMNI International Incorporated, a subsidiary. He joined the Company as Vice President Finance in 1991. From 1987 to 1991, Mr. Weinberg served as Vice President Finance and Administration, Chief Financial Officer, Treasurer and Secretary of Columbia

Laboratories, Inc., a health care products company.

Mr. Ficalora was elected Executive Vice President of the Restaurant Company in 1994, having served as Vice President, Operations of the Company from 1992 until 1994, and Director of Franchise Sales from 1991 to 1992.

Mr. Borges was elected Treasurer of the Company in 1992. He joined the Company in 1985 as Controller.

Mrs. Ferrara was elected Secretary of the Company in 1992. She joined the Company in 1989 as Office Manager and Assistant Secretary.

PART II

ITEM 5. MARKET FOR THE COMPANY'S COMMON STOCK AND RELATED STOCKHOLDER MATTERS

The Company's Common Stock is traded on the New York Stock Exchange under the symbol "TMN". Prior to June 28, 1995, the Company's Common Stock was included in the Nasdaq National Market . The following table sets forth the high and low sale prices for the common stock for each fiscal quarter ended from December 31, 1994 (adjusted for the three-for-two stock split effected on April 22, 1994 and applied retroactively where appropriate) as reported on the New York Stock Exchange or the Nasdaq National Market, as well as the dividends paid during each such fiscal quarter.

The payment of dividends, if any, in the future, will depend upon, among other things, the Company's earnings and financial requirements, as well as general business conditions.

QUARTER ENDED -----	LOW ---	HIGH ----	DIVIDENDS PAID -----
December 31, 1994	\$8.313	\$13.750	\$.02
March 31, 1995	8.500	13.250	--
June 30, 1995	8.000	13.250	.02
September 30, 1995	8.375	11.375	--
December 31, 1995	8.750	11.000	.02
March 31, 1996	7.125	9.750	--
June 30, 1996	7.125	9.000	.02
September 30, 1996	5.500	8.625	--

The aggregate number of holders of record of the Company's Common Stock on December 20, 1996 was approximately 2,400.

The payment of dividends, if any, in the future, will depend upon, among other things, the Company's earnings and financial requirements, as well as general and business conditions.

ITEM 6. SELECTED FINANCIAL DATA

Omitted in accordance with Rule 12b-25(d).

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Omitted in accordance with Rule 12b-25(d).

ITEM 8. FINANCIAL STATEMENTS

Omitted in accordance with Rule 12b-25(d).

ITEM 9. CHANGES AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

* None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information called for by Item 10 is set forth under the heading "Executive Officers of the Registrant" in Part I hereof and in "Election of Directors" in the Company's 1997 Proxy Statement, which is incorporated herein by this reference.

ITEM 11. EXECUTIVE COMPENSATION

Information called for by Item 11 is set forth under the heading "Executive Compensation" in the Company's 1997 Proxy Statement, which is incorporated herein by this reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Information called for in Item 12 is set forth under the heading "Security Ownership of Certain Beneficial Owners and Management" in the Company's 1997 Proxy Statement, which is incorporated herein by this reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information called for in Item 13 is set forth under the heading "Certain Relationships and Related Transactions" in the Company's 1997 Proxy Statement, which is incorporated herein by this reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENTS SCHEDULES, AND REPORTS ON FORM 8-K

The following documents are being filed as part of this Report:

- (a) (1) Financial Statements:
Transmedia Network Inc.

See "Index to Financial Statements" contained in Part II,
Item 8.

- (a) (2) Financial Statement Schedules

No schedules have been included because they are not applicable or the required information is shown in the Financial Statements or the Notes thereto.

- (a) (3) Exhibits

DESIGNATION

DESCRIPTION

- 2.1 Assignment and Assumption of Franchise Agreements dated September 30, 1994 between Transmedia Network Inc. and the Service Company.(1)
- 2.2 Capital Contribution dated September 30, 1994 by Transmedia Network Inc. to the Service Company.(1)
- 2.3 Trademark Contribution dated September 30, 1994 from Transmedia Network to the Service Company.(1)
- 2.4 Capital Contribution dated September 30, 1994 from Transmedia Network Inc. to the Restaurant Company.(1)
- 2.5 Administrative Services Agreement dated as of September 30, 1994 between Transmedia Service Company Inc. and Transmedia Restaurant Company Inc.(1)
- 2.6 Franchise Agreement dated September 30, 1994 between Transmedia Service Company Inc. and Transmedia Restaurant Company Inc.(1)
- 3.1 Certificate of Incorporation of the Company, as amended.(2)
- 3.2 Certificate of Amendment to the Certificate of Incorporation of the Company.(9)
- 3.3 Certificate of Amendment to the Certificate of Incorporation of the Company, as filed with the Delaware Secretary of State on March 22, 1994.(1)
- 3.4 By-Laws of the Company.(3)
- 10.2 1987 Stock Option and Rights Plan, as amended.(1)(10)
- 10.3 Form of Stock Option Agreement (as modified) between the Company and certain Directors and Schedule of Options granted and outstanding (as of September 30, 1995) to such Directors pursuant to the respective Stock Option Agreements with such Directors.(10) (11)
- 10.4 Amended and Restated Employment Agreement dated as of November 15, 1996 between the Company and Melvin Chasen.(12)
- 10.5 Amended and Restated Consulting Agreement dated as of November 15, 1996 between the Company and Melvin Chasen.(12)
- 10.6 Employment Agreement effective April 1, 1992 between the Company and James Callaghan.(9) (10)
- 10.7 Amendment dated October 1, 1994, to Employment Agreement between the Company and James Callaghan.(1)(10)
- 10.8 Employment Agreement dated as of October 1, 1995 between the Company and Barry Kaplan. (10)(12)
- 10.9 Master License Agreement dated December 14, 1992 between the Company and Conestoga Partners, Inc.(8)
- 10.10 First Amendment to Master License Agreement dated April 12, 1993, between the Company and Conestoga Partners, Inc.(9)
- 10.11 Second Amendment to Master License Agreement -- Assignment and Assumption Agreement dated August 11, 1993 among the Company, TMNI International Incorporated and Transmedia Europe, Inc.(9)

- 10.12 Master License Agreement Amendment No. 3 dated November 22, 1993 between TMNI International Incorporated and Transmedia Europe, Inc.(9)
- 10.13 Master License Agreement dated March 21, 1994 between TMNI International Incorporated and Conestoga Partners II, Inc. licensing rights in the Asia Pacific region.(1)
- 10.14 Agreement, dated as of December 6, 1996, among the Company, TMNI International Incorporated, Transmedia Europe Inc. and Transmedia Asia Pacific Inc.(12)
- 10.15 Agreement, dated as of November 15, 1996 between the Company and The Western Transmedia Company Inc.(12)
- 21.1 Subsidiaries of Transmedia Network Inc.(1)
- 23.1 Consent of Independent Auditors.(13)
- 99.1 Prospectus of the Company dated July 10, 1992 filed pursuant to the Securities Act of 1933.(5)
- 99.2 Prospectus of the Company dated August 12, 1992 filed pursuant to the Securities Act of 1933.(6)
- 99.3 Form of Subscription Agreement.(7)
- 99.4 Agency Agreement dated April 9, 1992 between the Company and Janney Montgomery Scott Inc.(8)
- 99.5 Warrant Purchase Agreement dated June 15, 1992 between the Company and Janney Montgomery Scott.(8)

- (1) Filed as an exhibit to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 1994 and incorporated by reference.
- (2) Filed as an exhibit to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 1988, and incorporated by reference thereto.
- (3) Filed as an exhibit to the Post Effective Amendment to the Registration Statement on Form S-1 (Registration No. 33-5036), and incorporated by reference thereto.
- (4) Filed as an exhibit to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 1990, and incorporated by reference thereto.
- (5) Filed as an exhibit to the Company's Registration Statement on Form S-8 (Registration No. 33-494460), and incorporated by reference thereto.
- (6) Filed as an exhibit to the Company's Registration Statement on Form S-3 (Registration No. 33-49374), and incorporated by reference thereto.
- (7) Filed as an exhibit to the Company's Form 8-K Current Report dated June 15, 1992, and incorporated by reference thereto.

- (8) Filed as an exhibit to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 1992, and incorporated by reference thereto.
- (9) Filed as an exhibit to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 1993, and incorporated by reference thereto.
- (10) Management contract or compensatory plan or arrangement required to be filed as an exhibit to this Annual Report on Form 10-K pursuant to Item 14(c) hereof.
- (11) Filed as an exhibit to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 1995 and incorporated by reference.
- (12) Filed as an exhibit hereto.
- (13) To be filed by amendment.
- (b) The Company did not file any Form 8-K Current Reports during the fiscal year ended September 30, 1995.
- (c) Exhibits:

See paragraph (a) (3) above for items filed as exhibits to this Annual Report on Form 10-K as required by Item 601 of Regulation S-K.
- (d) Financial Statement Schedules:

See paragraphs (a)(1) and (a)(2) above for financial statement schedules and supplemental financial statements filed as part of this Annual Report on Form 10-K.

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

TRANSMEDIA NETWORK INC.

By: /S/MELVIN CHASEN

Melvin Chasen, President

Dated: December 30, 1996

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

NAME ----	TITLE -----	DATE ----
/S/MELVIN CHASEN ----- Melvin Chasen	Director, Chairman of the Board, President and Chief Executive Officer	December 30, 1996
/S/JAMES M. CALLAGHAN ----- James M. Callaghan	Director, Vice President	December 30, 1996

/S/JACK AFRICK ----- Jack Africk	Director	December 30, 1996
/S/HERBERT M. GARDNER ----- Herbert M. Gardner	Director	December 30, 1996
/S/IRWIN HOCHBERG ----- Irwin Hochberg	Director	December 30, 1996
/S/A. BARRY MERKIN ----- A. Barry Merkin	Director	
/S/HENRY SEIDEN ----- Henry Seiden	Director	December 30, 1996
/S/BARRY S. KAPLAN ----- Barry S. Kaplan	Director Vice President	
/S/DAVID L. WEINBERG ----- David L. Weinberg	Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	December 30, 1996

<TABLE>
<CAPTION>

EXHIBIT INDEX

EXHIBIT NO. PAGE ----	DESCRIPTION OF DOCUMENT -----	SEQUENTIALLY NUMBERED -----
<S>	<C>	<C>
2.1	Assignment and Assumption of Franchise Agreements dated September 30, 1994 between Transmedia Network Inc. and the Service Company.(1)	P
2.2	Capital Contribution dated September 30, 1994 by Transmedia Network Inc. to the Service Company.(1)	P
2.3	Trademark Contribution dated September 30, 1994 from Transmedia Network to the Service Company.(1)	P
2.4	Capital Contribution dated September 30, 1994 from Transmedia Network Inc. to the Restaurant Company.(1)	P
2.5	Administrative Services Agreement dated as of September 30, 1994 between Transmedia Service Company Inc. and Transmedia Restaurant Company Inc.(1)	P

2.6	Franchise Agreement dated September 30, 1994 between Transmedia Service Company Inc. and Transmedia Restaurant Company Inc.(1)	P
3.1	Certificate of Incorporation of the Company, as amended.(2)	P
3.2	Certificate of Amendment to the Certificate of Incorporation of the Company.(9)	P
3.3	Certificate of Amendment to the Certificate of Incorporation of the Company, as filed with the Delaware Secretary of State on March 22, 1994.(1)	P
3.4	By-Laws of the Company.(3)	P
10.2	1987 Stock Option and Rights Plan, as amended.(1)(10)	P
10.3	Form of Stock Option Agreement (as modified) between the Company and certain Directors and Schedule of Options granted and outstanding (as of September 30, 1995) to such Directors pursuant to the respective Stock Option Agreements with such Directors.(10)(11)	
10.4	Amended and Restated Employment Agreement dated as of November 15, 1996 between the Company and Melvin Chasen.(12)	P
10.5	Amended and Restated Consulting Agreement dated as of November 15, 1996 between the Company and Melvin Chasen.(12)	P
10.6	Employment Agreement effective October 1, 1995 between the Company and James Callaghan.(9) (10)	P
10.7	Amendment dated October 1, 1994, to Employment Agreement between the Company and James Callaghan.	P
10.8	Employment Agreement dated as of October 1, 1995 between the Company and Barry Kaplan.(10)(12)	P
10.9	Master License Agreement dated December 14, 1992 between the Company and Conestoga Partners, Inc.(8)	P
10.10	First Amendment to Master License Agreement dated April 12, 1993, between the Company and Conestoga Partners, Inc.(9)	P
10.11	Second Amendment to Master License Agreement -- Assignment and Assumption Agreement dated August 11, 1993 among the Company, TMNI International Incorporated and Transmedia Europe, Inc.(9)	P
10.12	Master License Agreement Amendment No. 3 dated November 22, 1993 between TMNI International Incorporated and Transmedia Europe, Inc.(9)	P
10.13	Master License Agreement dated March 21, 1994 between TMNI International Incorporated and Conestoga Partners II, Inc. licensing rights in the Asia Pacific region.(1)	P
10.14	Agreement, dated as of December 6, 1996, among the Company, TMNI International Incorporated, Transmedia Europe Inc. and Transmedia Asia Pacific Inc.(12)	P

10.15	Agreement, dated as of November 15, 1996 between the Company and The Western Transmedia Company Inc.(12)	P
21.1	Subsidiaries of Transmedia Network Inc.(1)	P
23.1	Consent of Independent Auditors.(13)	
99.1	Prospectus of the Company dated July 10, 1992 filed pursuant to the Securities Act of 1933.(5)	P
99.2	Prospectus of the Company dated August 12, 1992 filed pursuant to the Securities Act of 1933.(6)	P
99.3	Form of Subscription Agreement.(7)	P
99.4	Agency Agreement dated April 9, 1992 between the Company and Janney Montgomery Scott Inc.(8)	P
99.5	Warrant Purchase Agreement dated June 15, 1992 between the Company and Janney Montgomery Scott.(8)	P

</TABLE>

- (1) Filed as an exhibit to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 1994 and incorporated by reference.
- (2) Filed as an exhibit to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 1988, and incorporated by reference thereto.
- (3) Filed as an exhibit to the Post Effective Amendment to the Registration Statement on Form S-1 (Registration No. 33-5036), and incorporated by reference thereto.
- (4) Filed as an exhibit to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 1990, and incorporated by reference thereto.
- (5) Filed as an exhibit to the Company's Registration Statement on Form S-8 (Registration No. 33-494460), and incorporated by reference thereto.
- (6) Filed as an exhibit to the Company's Registration Statement on Form S-3 (Registration No. 33-49374), and incorporated by reference thereto.
- (7) Filed as an exhibit to the Company's Form 8-K Current Report dated June 15, 1992, and incorporated by reference thereto.
- (8) Filed as an exhibit to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 1992, and incorporated by reference thereto.
- (9) Filed as an exhibit to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 1993, and incorporated by reference thereto.
- (10) Management contract or compensatory plan or arrangement required to be filed as an exhibit to this Annual Report on Form 10-K pursuant to Item 14(c) hereof.

- (11) Filed as an exhibit to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 1995 and incorporated by reference.
- (12) Filed as an exhibit hereto.
- (13) To be filed by amendment.

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

AMENDED AND RESTATED EMPLOYMENT AGREEMENT, dated as of the 15th day of November, 1996, by and between TRANSMEDIA NETWORK INC., a Colorado corporation ("TRANSMEDIA"), and MELVIN CHASEN (the "EXECUTIVE").

WHEREAS, Transmedia and the Executive entered into an Employment Agreement, dated as of January 1, 1987, and subsequently entered into Amendments, dated as of July 11, 1988, October 1, 1990, October 1, 1992 and October 1, 1994 to such Employment Agreement; and

WHEREAS, Transmedia and the Executive wish to further amend and extend the Employment Agreement and to restate the terms thereof in one instrument;

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, and intending to be legally bound hereby, the parties hereto do mutually agree as follows:

/bullet/ EMPLOYMENT. Transmedia agrees to and does hereby employ the Executive, and the Executive accepts such employment, upon the terms and conditions hereinafter set forth. The Executive represents and warrants that he is free to enter into this Agreement and that entering into this Agreement is not in violation of any obligations that he has to any other person, firm or corporation.

/bullet/ TERM. The term of this Agreement shall be for the period commencing October 1, 1994 and ending on September 30,

1999 (the "TERM"), unless earlier terminated as provided herein.

OFFICE AND DUTIES. The Executive shall perform such executive services in the operation of the business of Transmedia and its subsidiaries as Transmedia's Board of Directors may from time to time reasonably assign to the Executive. The Executive shall hold the positions of President and Chief Executive Officer of Transmedia, and shall report directly to Transmedia's Board of Directors. In addition, in connection with any meeting or action of stockholders for the election of Transmedia's Board of Directors, Transmedia shall nominate the Executive for election to Transmedia's Board of Directors and shall use its best efforts to cause the Executive to be elected thereto. During the term of this Agreement, the Executive shall: (a) work for Transmedia and its subsidiaries on a full-time, exclusive basis; (b) use his best efforts to apply on a full-time basis all of his skill and experience to the performance of his duties in such employment; and (c) not engage in any other business activities, other than personal investments in corporations and other entities which do not compete directly or indirectly with Transmedia and its subsidiaries. Notwithstanding the provisions of the preceding sentence, the Executive shall be

entitled, on an occasional basis, to serve as a consultant to, or on the board of directors of, other corporations during the term of this Agreement and to receive and retain all compensation paid to him in such capacities, so long as such other corporations do not compete directly or indirectly with Transmedia and its subsidiaries. The Executive shall be entitled to a private office commensurate with his position with Transmedia and to a secretary assigned

exclusively to the Executive. The provisions of this Section 3 are subject to modification as set forth in Section 10.

/bullet/ COMPENSATION AND BENEFITS. (a) For services rendered by the Executive under this Agreement, the Executive shall be paid a base salary (the "SALARY") at the rate of Two Hundred Seventy-Five Thousand Dollars (\$275,000) per annum during the first year of the Term, Three Hundred Thousand Dollars (\$300,000) per annum during the second year of the Term, Three Hundred Fifty Thousand Dollars (\$350,000) during the third year of the Term, Three Hundred Seventy-Five Thousand Dollars (\$375,000) during the fourth year of the Term, and Four Hundred Thousand Dollars (\$400,000) during the fifth year of the Term. The Salary shall be payable in equal weekly installments.

(b) As additional compensation, Transmedia shall pay the Executive an annual bonus (the "BONUS") equal to Five Percent (5%) of Pre-Tax Income (as defined below) for each fiscal year of Transmedia or portion thereof occurring during the Term following the fiscal year ended September 30, 1994; provided, however, the amount of the Bonus shall not exceed \$600,000, \$600,000 and \$700,000 for the fiscal years (or portions thereof occurring during the Term) of Transmedia ending September 30, 1995, 1996 and 1997, respectively, and \$700,000 thereafter. "Pre-Tax Income" shall mean the pre-tax income of Transmedia for the applicable period before computation of the Bonus, as determined by Transmedia's independent certified public accountants on the basis of generally accepted accounting principles consistently applied. The Bonus shall be payable on an annual basis within

120 days after the end of each fiscal year, commencing with the fiscal year ending September 30, 1995. If the Term includes less than all of any fiscal year, then the Bonus, if any, payable for such fiscal year shall be determined on a pro rata basis of the Pre-Tax Income for the portion of such fiscal year that this Agreement is in effect except as provided in sub-paragraph 4(d) hereof.

(c) Transmedia shall, during the term of this Agreement, pay all premiums on the existing whole-life insurance policy issued by Executive Life Insurance Company on the life of the Executive in the face amount of \$500,000. Upon the expiration of the term of this Agreement, Transmedia shall transfer the ownership of such policy to the Executive without any payment by the Executive. In the event of the death of the Executive during the term of this Agreement, Transmedia will segregate proceeds thereof sufficient to purchase an annuity that will pay to the estate of the Executive a death benefit

of \$50,000 per year for a period of ten years, with the first such benefit payable six months after such death. The balance of such proceeds after purchase of the annuity shall be retained by Transmedia.

(d) At all times during the term of this Agreement, the Executive shall be included in any life, medical, health, and hospitalization insurance, pension, stock option, stock ownership, incentive compensation, and other benefit programs maintained by or for Transmedia at the date hereof. If Transmedia hereafter establishes any other programs, the Executive shall be included therein at least the same level as

the other senior executives of Transmedia. In addition, in the event of the Executive's Disability (as defined below), Transmedia will pay to the Executive the following: (i) during the first six months of Disability, 100% of the Salary that would be payable to the Executive but for such Disability; (ii) thereafter, and until the end of the Term, 75% of such Salary; and (iii) the Bonus for the period(s) provided in the next sentence. The Executive shall receive a Bonus for the entire fiscal year ending on any applicable September 30th, if said September 30th occurs during the first six months of Disability; in all other instances, the Executive shall receive a portion of the Bonus for an entire year determined by multiplying the Bonus for the entire fiscal year by a fraction, the numerator of which is the total number of months starting with October 1st and ending upon the conclusion of said six months of Disability and the denominator of which is 12. For purposes of this sub-paragraph (d), all calculations shall be made on the basis of full and not partial months. For the purposes hereof "Disability" shall mean a physical or mental impairment of such duration and degree that the Executive is determined by the Board of Directors of Transmedia to be substantially unable because of the impairment to perform the services described in Section 3.

(e) [RESERVED]

(f) Transmedia may provide to the Executive such additional compensation, bonuses, and benefits as its Board of Directors deems appropriate, but nothing herein shall obligate Transmedia to do so.

(g) In consideration of services rendered on behalf of Transmedia by the Executive in the fiscal year ending September 30, 1990, Transmedia shall pay the Executive, on the date chosen by the Executive in his sole discretion, as additional compensation, a bonus of Twenty Five Thousand Dollars (\$25,000); provided, however, that such bonus shall not be payable unless Transmedia shall achieve Pre-Tax Income for the fiscal year ending September 30, 1990 of at least Two Hundred Thousand Dollars (\$200,000).

/bullet/ VACATION. The Executive shall be entitled to take four (4) weeks' paid vacation during each twelve-month period of his employment hereunder on a basis consistent with the requirements of the business of Transmedia and its subsidiaries and in accordance with Transmedia's customary practice for senior

executives. Unused accrued vacation may be carried forward and taken during any subsequent twelve-month period; PROVIDED, HOWEVER, that the Executive may not take more than four weeks' vacation during any three-month period. In lieu of carrying forward unused accrued vacation, the Executive may elect to be paid for all or any part of unused accrued vacation from any prior twelve-month period. The amount of any such payment shall be based on the Executive's Salary in effect at the time of payment. At the expiration of this Agreement after its stated term or upon the earlier termination hereof by Transmedia without "cause" (as defined in Section 9 hereof), Transmedia shall pay the Executive for any unused vacation time which accrued prior to expiration or termination at the rate set forth in the preceding sentence.

/bullet/ REIMBURSEMENT OF EXPENSES. During the term of this Agreement, the Executive shall be reimbursed for reasonable travel, entertainment and other expenses incident to the rendering of services hereunder, upon presentation of expense statements or vouchers or such other supporting information as Transmedia may customarily require of its senior executives.

/bullet/ RESTRICTIONS. (a) The Executive acknowledges that the business of Transmedia is potentially nationwide in scope, and that it expects to be marketing its products and services throughout a wider geographical area than that in which it presently operates. Accordingly, during the Restricted Period (as defined below), the Executive shall not, unless acting with Transmedia's prior written consent: (i) directly or indirectly own, manage, operate, join, or control, or participate in the ownership, management, operations or control of, or be connected as a director, officer, employee, partner, stockholder, consultant or otherwise with, any business or organization located in or doing business in the Restricted Area (as defined below) which (A) is engaged in financing restaurant advertising or equipment or providing restaurant discounts to members of its programs or (B) directly or indirectly competes with any other business of Transmedia or any of its subsidiaries conducted at any time during the term hereof; or (ii) interfere with, or divert or attempt to divert the benefits of, any relationship with employees, agents, suppliers, restaurant clients, membership card holders or other customers maintained by Transmedia and its subsidiaries at any time during the Restricted Period. However,

if the Executive's employment hereunder is terminated without "cause" (as defined in Section 9 hereof), then the provisions of this Section 7(a) shall cease upon such termination. For the purposes of this Agreement, (i) "RESTRICTED PERIOD" means the twenty-four-month period commencing upon the earlier of (x) the termination of the Executive's employment with Transmedia prior to the expiration hereof, either voluntarily by the Executive or by Transmedia for "cause"; and (y) the expiration of this Agreement after its stated term; and (ii) "RESTRICTED Area" means any geographical market in or with respect to which Transmedia, within twelve months prior to the commencement of the Restricted Period, is then operating or has taken significant affirmative steps to commence operations. Nothing in this Section 7(a) shall be construed to prevent the Executive from owning or dealing in any stock actively traded over-the-counter or on any recognized exchange and issued by a corporation which may compete

directly or indirectly with Transmedia and its subsidiaries so long as the Executive does not participate in the management, control, or operations of any such corporation and the Executive's holdings do not at any time exceed five percent (5%) of the outstanding shares of any class of stock of such corporation.

(b) The Executive agrees that all confidential and proprietary matters which he may now have or may obtain during the term of his employment hereunder relating in any way to the business of Transmedia and its subsidiaries shall not be disclosed to any other person, either during or after the termination of his employment, unless Transmedia has given its

prior consent to such disclosure or such disclosure is a necessary incident to transactions with the Executive is pursuing in accordance with duties delegated to him by Transmedia's Board of Directors. The Executive shall promptly return all tangible evidence of such confidential and proprietary matters to Transmedia at the termination of his employment or upon Transmedia's earlier request.

(c) The Executive acknowledges that the remedy at law for his breach of the covenants contained in this Section 7 is inadequate, and that therefore Transmedia and its subsidiaries shall be entitled, in addition to any other right or remedy available to them, to injunctive relief and the remedy of specific performance to restrain the Executive from committing or continuing any such breach and to enforce the Executive's obligations hereunder.

(d) If any court or tribunal of competent jurisdiction shall refuse to enforce any or all of the provisions of this Section 7, because individually or taken together, they are deemed unreasonable, then the parties hereto understand and agree that any such provision or provisions shall not be void but for the purpose of such proceedings, shall be revised to the extent necessary to permit the enforcement of such provisions.

/bullet/ OWNERSHIP OF WORK PRODUCT. The Executive acknowledges that during the term of his employment hereunder he may conceive of, discover, invent, or create inventions, improvements, new contributions, literary property, material, ideas and discoveries, whether or not patentable or copyrightable, which

relate to the business of Transmedia and its subsidiaries (all of the foregoing being collectively referred to herein as "Work Product"), and that various business opportunities appropriate for Transmedia and its subsidiaries may be presented to him by reason of his employment. The Executive acknowledges that, unless Transmedia otherwise agrees in writing, all of the foregoing shall be owned by and belong exclusively to Transmedia, and he shall have no personal interest therein. The Executive, at Transmedia's expense, shall further: (a) promptly disclose any such Work Product and business opportunities to Transmedia; (b) assign to Transmedia, upon request and without additional compensation, the entire rights to such Work Product and business opportunities;

(c) sign all papers necessary to carry out the foregoing; and (d) give testimony in support of his discovery, invention, or creation in any appropriate case.

/bullet/ TERMINATION. (a) Notwithstanding anything contained herein to the contrary, the Executive's employment hereunder: (i) shall automatically terminate upon the Executive's death; and (ii) may be terminated by Transmedia's Board of Directors for "cause" (as hereinafter defined) upon 60 days' prior written notice of termination, subject to the Executive's right to cure certain breaches constituting "cause", as provided below. For the purposes of this Agreement, termination shall be deemed to be "for cause" if: (i) the Executive is convicted of a felony; (ii) the Executive declares personal bankruptcy pursuant to any applicable law; (iii) the Executive commits an act of fraud with respect to Transmedia or any subsidiary, franchisee or licensee of Transmedia or misappropriates any of its funds; or (iv) the

Executive refuses to perform his duties pursuant to this Agreement, or directly and repeatedly breaches any covenants contained herein. The written notice of termination shall set forth with specificity the reason for such termination. If the reason for such termination is the Executive's direct and repeated refusal to perform his duties hereunder or his direct and repeated breach of any covenants contained herein, the Executive shall have the right, within 30 days of his receipt of such notice, to notify the Board of Directors of his intention to cure such breach. On or within 10 days before the effective date of termination, the Board of Directors shall meet to determine whether such breach has been effectively cured and, upon the majority vote of the directors (not including the Executive) that it has been cured, the notice of termination shall be deemed ineffective. The Executive shall be entitled to be represented at such meeting by counsel. On the effective date of termination, except for the reimbursement of expenses incurred to such date, the Executive shall cease to have any further rights hereunder but shall be subject to all restrictions set forth elsewhere herein.

(b) Except where the Executive has exercised his right to attempt to cure pursuant to the preceding subsection, the Executive may, within 15 days following delivery of a notice of termination for "cause", by written notice to the Board of Directors of Transmedia, cause the matter of termination for "cause" by Transmedia to be discussed at the next regularly scheduled meeting of the Board of Directors or at a special

meeting of the Board of Directors requested by a majority of its members. The Executive shall be entitled to be represented at such meeting by counsel. Such meeting shall be conducted according to procedures deemed equitable by a majority of the directors present. If, at such meeting, it shall be determined that this Agreement has been terminated without "cause," or that such "cause" shall be waived, the provisions of this Agreement shall be reinstated with the same force and effect as if the notice of termination has not been given; and

the Executive shall be entitled to receive the compensation and other benefits provided herein for the period from the effective date of the notice of termination through the date of such reinstatement, plus all reasonable costs of his counsel as approved by the Board of Directors of Transmedia. Except as provided in the first sentence of this subsection (b), neither the Executive's election to pursue or forego the procedures set forth in this subsection (b), nor a determination by the Board of Directors, at any meeting pursuant to this subsection, that the Executive's employment hereunder was terminated for "cause", shall prejudice or preclude the exercise of any other right or remedy which the Executive may have at law or otherwise as a result of the termination of his employment hereunder.

/bullet/ SALE OF TRANSMEDIA; CONSULTING ARRANGEMENT. The sale of all or substantially all of the assets of Transmedia, or the sale of a "control block" (as hereafter defined) of its shares to any person during the Term shall be made subject to the Executive's right to either 1) continue his employment under the terms of this Agreement or 2) within one (1) year after such

sale, elect to resign from his positions with Transmedia. In the event the Executive chooses to resign from his positions with Transmedia, he shall receive, without the necessity of performing consulting or other services for Transmedia, a payment in lump sum of One Million Dollars (\$1,000,000). Such lump sum payment shall be made by Transmedia to the Executive within seven (7) days of Transmedia's receipt of the Executive's notice of resignation. In addition, the Executive shall receive the benefits with respect to the life insurance policy, and payment of death benefits, as set forth in Section 4(c). For the purposes hereof, "control block" means any block of shares the possession of which, when added to any shares already owned, directly or indirectly, gives the power in any form to direct or cause the direction of the management and policies of Transmedia.

/bullet/ NOTICES Any notices to be given hereunder shall be deemed to have been given if delivered personally against receipt, if sent by nationally recognized overnight delivery service, or if mailed by registered or certified mail, return receipt requested, to the following address: if to Transmedia, at 11900 Biscayne Blvd, Miami, Florida 33181, with a copy to Morgan, Lewis & Bockius LLP, 101 Park Avenue, New York, New York 10178, to the attention of Stephen P. Farrell, Esq.; and if to the Executive, at 2085 N.E. 120th Road, North Miami, Florida 33181. Either party may change his or her address set forth above by giving written notice to the other party in accordance with this Section.

/bullet/ GOVERNING LAW. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New York.

/bullet/ CAPTIONS. The captions of the sections of this Agreement are for the purpose of convenience only, are not intended to be part of this Agreement and shall not be deemed to modify, explain, enlarge or restrict any of its

provisions.

/bullet/ SEVERABILITY. If any clause or provision of this Agreement shall be held invalid or unenforceable, in whole or in part, in any jurisdiction, such invalidity or unenforceability shall attach only to such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect any other clause or provision hereof in any jurisdiction.

/bullet/ BINDING EFFECT; ASSIGNMENT. This Agreement shall bind and inure to the benefit of the respective heirs, representatives, successors, and permitted assignees of Transmedia and the Executive. Transmedia may assign this Agreement or any of its rights and obligations hereunder to (i) any transferee of or successor to all or substantially all of the assets or business of Transmedia and its subsidiaries or (ii) any subsidiary or affiliate of Transmedia; PROVIDED, HOWEVER, that no such assignment shall release Transmedia from its obligations hereunder. The Executive may not assign this Agreement or any of his rights and obligations hereunder under any circumstances.

/bullet/ MISCELLANEOUS. This Agreement embodies the entire understanding between Transmedia and the Executive with respect to its subject matter, and there is no extrinsic agreement of any kind affecting it. This Agreement also supersedes and replaces

any prior agreement with respect to the subject matter of this Agreement. This Agreement may not be changed or terminated orally, and no change, termination or waiver of this Agreement or of any of the provisions herein contained shall be binding unless made in writing and signed by the party against whom the same is sought to be enforced.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

TRANSMEDIA NETWORK INC.

By: /S/JAMES M. CALLAGHAN

James M. Callaghan
Vice President

/S/MELVIN CHASEN

Melvin Chasen

AMENDMENT AND RESTATEMENT OF THE CONSULTING AGREEMENT

AMENDMENT AND RESTATEMENT OF THE CONSULTING AGREEMENT (the "Agreement"), dated as of November 15, 1996, by and between TRANSMEDIA NETWORK INC., a Delaware corporation with its principal office at 11900 Biscayne Boulevard, North Miami, Florida, 33181 (the "Company"), and MELVIN CHASEN residing at 2800 Island Boulevard, Apartment 1401, Williams Island, Florida, 33160 (the "Consultant").

W I T N E S S E T H:

WHEREAS, the Company desires to retain the Consultant to provide certain advisory services in respect of marketing, advertising, development and general financial matters, and the Consultant desires to be so retained by the Company, upon the terms and conditions hereinafter set forth; and

WHEREAS, the Company and the Consultant extend into a Consulting Agent dated as of November 24, 1993, which they wish to extend and restate;

NOW, THEREFORE, the parties hereto hereby covenant and agree as follows:

1. CONSULTING SERVICES. (a) The Company hereby retains the Consultant to provide, and the Consultant hereby agrees to provide, certain advisory services (the "Consulting Services") to the Company in respect of marketing, advertising, development and general financial matters. Nothing contained herein shall imply or confer upon the consultant the status of an employee of the Company. The Consultant shall be required to devote five business days each month to the performance of the Consulting Services, but may devote additional amounts of time as the Consultant may desire at no additional expense to the Company. The Consulting Services shall be performed at such times as shall be mutually agreed upon by the Company and the Consultant.

(b) The Consultant represents and warrants to the Company that the execution, delivery and performance by the Consultant of this Agreement shall not constitute a violation of the terms of any agreement to which the Consultant is a party or by which he is bound.

2. Term. The term (the "Term") of this Agreement shall commence on the date of termination (the "Effective Date") of the employment agreement, dated as of January 1, 1987, between the Company and the Consultant, as amended or renewed (the "Employment Agreement"), and shall terminate on the tenth anniversary of the Effective Date, but in no event later than January 1, 2005, unless sooner terminated as provided herein.

3. FEES AND EXPENSES. In consideration of the performance of the Consulting Services, the Company shall pay to the Consultant, and the Consultant shall accept from the Company for his services rendered hereunder, for any year during the Term, an annual amount

equal to fifty (50) percent of the sum of the highest base salary and bonus received by the Consultant in any year under the Employment Agreement not to exceed in any one year during the Term ten (10) percent of the Company's prior year's Pre-Tax Income (as defined below), but in any event an amount not less than \$100,000 ("Consulting Fee"). The Consulting Fee shall be payable monthly in advance. The Company shall not withhold any wage or employment taxes in respect of such Consulting Fees and shall issue to the Consultant such information reports relating thereto as are required by applicable laws and regulations. "Pre-Tax Income" shall mean the pre-tax income of the Company for the applicable period, as determined by the Company's independent certified public accountants on the basis of generally accepted accounting principles consistently applied.

(b) The Company hereby agrees, from time to time upon request, to reimburse the Consultant for all out-of-pocket expenses incurred by the Consultant in the performance of the Consulting Services, including but not limited to, reasonable travel, entertainment and other expenses incident to the rendering of services hereunder, upon receipt of proper documentation therefor. In addition, the Company hereby agrees to provide the Consultant with office services, including, but not limited to, secretarial and other office support staff and office space, furnishings and supplies.

4. FRINGE BENEFITS At all times during the Term, the Consultant shall be included in any life, medical, health, and hospitalization insurance, pension, stock option, stock ownership, incentive compensation and other benefit programs maintained by or for the Company as of the date hereof, or in the future. In the event that the Company does not maintain or does not provide any life, medical, health, hospitalization or insurance benefits, the Company hereby agrees to provide the Consultant with funds in an amount sufficient for the Consultant to obtain such benefits independently.

5. SALE OF THE COMPANY. The sale of all or substantially all of the assets of the Company, or the sale of a "control block" (as hereinafter defined) of its shares to any person during the Term shall be made subject to the Consultant's right to receive ten (10) days prior notice of such sale and to either (1) continue this Agreement or (2) within 90 days after such sale, terminate this Agreement. In the event that the Consultant chooses to terminate this Agreement, he shall receive, without the necessity of performing any other services for the Company, a payment of a lump sum of all Consulting Fees due and owing to Consultant for the entire Term under this Agreement. For the purposes hereof, "control block" means any block of shares the possession of which, when added to any shares already owned, directly or indirectly, gives the power in any form to direct or cause the direction of the management and policies of the Company.

6. DISABILITY. In the event of the Consultant's Disability (as defined below), the Company shall pay the Consultant the Consulting Fee that would be payable to the Consultant but for the Disability, as follows: (i) one hundred (100) percent of the Consulting Fee during the first six (6) months of Disability and (ii) seventy-five (75) percent of the Consulting Fee during the subsequent 18 months of Disability. For purposes hereof, "Disability" shall mean a physical or mental impairment of such duration and degree that the Consultant is determined by the Board of Directors to be substantially unable because of the impairment to perform the services described in Section 1 hereof. The Company hereby agrees to provide ten (10) days prior notice of a

determination by the Board of Directors that the Consultant is Disabled in the event that the Board of Directors makes such a determination.

7. CHAIRMANSHIP. The Consultant hereby agrees that he will serve as Chairman of the Board of Directors upon the request of the Board of Directors. In the event that the Consultant serves as Chairman of the Board of Directors, the Consultant is entitled to receive all benefits and protections to which all of the other members of the Board of Directors are entitled, including, but not limited to, fees for service as a Director, indemnification and stock options.

8. RESTRICTIONS. (a) The Consultant agrees, to the extent permitted by law, that he shall not during the Term and for a period of two (2) years following the termination of this Agreement for any reason ("Restricted Period"), without the Company's consent, (i) directly or indirectly, own, manage, operate, join or control, or participate in the ownership, management, operation or control of, or be a director, officer, partner, stockholder or employee of, or a consultant to, any business, firm, organization or corporation located or doing business in the Restricted Area (as defined below) which (A) is engaging in financing restaurant advertising or equipment or providing restaurant discounts to members of its programs or (B) directly or indirectly competes with any other business of the Company or any of its subsidiaries conducted at any time during the term hereof; or (ii) interfere with, or divert or attempt to divert the benefits of, any relationship with employees, agents, suppliers, restaurant clients, membership card holders or other customers maintained by the Company and its subsidiaries at any time during the Restricted Period. For purposes hereof, "Restricted Area" means any geographical market in or with respect to which the Company, within twelve months prior to the commencement of the Restricted Period, is then operating or has taken significant affirmative steps to commence operations. Nothing in this Section 8 shall prevent the Consultant from owning or dealing in any stock actively traded over-the-counter or on any recognized exchange and issued by a corporation which may compete directly or indirectly with the Company and its subsidiaries so long as the Consultant does not participate in the management, control, operations of any such corporation and the Consultant's holdings do not at any time exceed five percent (5%) of the outstanding shares of any class of stock of such corporation.

(b) The Consultant agrees that all confidential and proprietary matters

which he may now have or may obtain during the Term relating in any way to the business of the Company and its subsidiaries shall not be disclosed to any other person, either during or after the termination of this Agreement, unless the Company has given its prior consent to such disclosure or such disclosure is a necessary incident to transactions which the Consultant is pursuing in accordance with duties delegated to him by the Board of Directors.

(c) If any court shall determine that any of the provisions of this Section 8 is unenforceable, because individually or taken together, they are deemed unreasonable, it is the intention and understanding of the parties hereto that the restrictive covenant set forth herein shall not be rendered entirely unenforceable but shall be amended to the extent required to render the same valid and enforceable.

(d) The Consultant acknowledges that the remedy at law for his breach of the covenants contained in this Section 8 is inadequate, and that therefore the Company and its

subsidiaries shall be entitled, in addition to any other right or remedy available to them, to injunctive relief and the remedy of specific performance to restrain the Consultant from committing or continuing any such breach and to enforce the Consultant's obligations hereunder.

9. INDEMNIFICATION. The Company agrees to indemnify and hold harmless the Consultant from and against, and to reimburse the Consultant on demand, with respect to any and all losses, damages, liabilities, claims, costs and expenses, including reasonable attorneys' fees (collectively, "Losses") incurred by the Consultant, by reason of or arising out of or in connection with the performance of the Consulting Services hereunder by the Consultant other than for Losses incurred as a result of acts constituting willful misconduct or gross negligence.

10. TERMINATION. Notwithstanding anything contained herein to the contrary, this Agreement shall terminate immediately upon the death of the Consultant.

11. MISCELLANEOUS.

11.1 ENTIRE AGREEMENT; AMENDMENT. This Agreement constitutes the entire understanding between the parties with respect to the subject matter hereof and no waiver or modification of the terms hereof shall be valid unless in writing signed by the party to be charged and only to the extent therein set forth.

11.2 GOVERNING LAW. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York applicable to contracts made and to be performed wholly within such State.

11.3 SUCCESSORS AND ASSIGNS; ASSIGNABILITY. This Agreement shall be binding upon and inure to the benefit of the Consultant, his successors,

assigns, heirs and legal representatives and the Company and its successors and assigns. However, neither party may assign its rights hereunder without the prior written consent of the other party, and any such attempted assignment without such consent shall be null and void and without effect.

11.4 NOTICES. All notices hereunder shall be in writing and shall be given when personally delivered or sent by registered or certified mail, postage prepaid, or by telegram, telex, cable or facsimile. Such notices, if intended for the Company, shall be addressed to it at 11900 Biscayne Boulevard, North Miami, Florida, 33181 Attention: President; and, if intended for the Consultant, shall be sent to him at 2800 Island Boulevard Apartment 1401, Williams Island, Florida, 33160, or any other address which such party may have subsequently communicated to the other party in writing.

11.5 COUNTERPARTS. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as the date first above written.

TRANSMEDIA NETWORK INC.

By: /S/JAMES M. CALLAGHAN

James M. Callaghan
Executive Vice President

/S/MELVIN CHASEN

Melvin Chasen

RESTATED AND AMENDED
EMPLOYMENT AGREEMENT

RESTATED AND AMENDED EMPLOYMENT AGREEMENT, dated as of the 9th day of December 1996, by and between TRANSMEDIA NETWORK INC., a Delaware corporation ("TRANSMEDIA"), and JAMES M. CALLAGHAN (the "EXECUTIVE").

WHEREAS, Transmedia and the Executive wish to amend and restate the Employment Agreement dated as of April 1, 1992, and amended as of October 1, 1994, which they previously executed;

NOW, THEREFORE, In consideration of the mutual promises and covenants herein contained, and intending to be legally bound hereby, the parties hereto do mutually agree as follows:

/bullet/ EMPLOYMENT. Transmedia agrees to and does hereby employ the Executive, and the Executive accepts such employment, upon the terms and conditions hereinafter set forth. The Executive represents and warrants that he is free to enter into this Agreement and that entering into this Agreement is not in violation of any obligations that he has to any other person, firm or corporation.

/bullet/ TERM. The term of this Agreement shall be for the period commencing April 1, 1992 and ending on September 30, 1999 (the "TERM"), unless earlier terminated as provided herein.

/bullet/ OFFICE AND DUTIES. The Executive shall perform such executive services in the operation of the business of Transmedia and its subsidiaries as Transmedia's Board of Directors may from time to time reasonably assign to the Executive. The Executive shall hold the position of Vice President of Transmedia and President of Transmedia Restaurant Company Inc., and shall report directly to Transmedia's President. During the term of this Agreement, the Executive shall: (a) work for Transmedia and its subsidiaries on a full-time, exclusive basis;

(b) use his best efforts to apply on a full-time basis all of his skill and experience to the performance of his duties in such employment; and

(c) not engage in any other business activities, other than personal investments in corporations and other entities which do not compete directly or indirectly with Transmedia and its subsidiaries. Notwithstanding the provisions of the preceding sentence, the Executive shall be entitled, on an occasional basis, to serve as a consultant to, or on the Board of Directors of, other corporations during the term of this Agreement and to receive and retain all compensation paid to him in such capacities, so long as

such other corporations do not compete directly or indirectly with Transmedia and its subsidiaries. The provisions of this Section 3 are subject to modification as set forth in Section 10.

/bullet/ COMPENSATION AND BENEFITS.

(a) For services rendered by the Executive under this Agreement, the Executive shall be paid a base salary (the "Salary") at the rate of One Hundred Eighty Thousand Dollars (\$180,000) per annum during the first year of the Term, Two Hundred Fifty Thousand Dollars (\$250,000) per annum during the second year of the Term, and Three Hundred Thousand Dollars (\$300,000) per annum during the third year of the Term, Three Hundred Fifteen Thousand Dollars (\$315,000) per annum during the fourth year of the Term, and Three Hundred Thirty-Five Thousand Dollars (\$335,000) during the fifty year of the Term. The Salary shall be payable in equal weekly installments.

(b) As additional compensation, the Executive shall be eligible to receive annually, a bonus of up to one-half (1/2) of his salary during each year of the Term. The Bonus shall be payable on an annual basis within 120 days after the end of each fiscal year, commencing with the fiscal year ending September 30, 1996.

(c) Transmedia shall, during the term of this Agreement, procure, maintain in force, and pay all premiums on an insurance policy to be issued on the life of the Executive, with his estate as beneficiary, in the face amount of Five Hundred Thousand (\$500,000) Dollars. Upon the expiration of the term of this Agreement, Transmedia shall transfer

the ownership of such policy to the Executive without any payment by the Executive whether or not he becomes disabled during the employment Term.

(d) At all times during the term of this Agreement, the Executive shall be included in any life, medical, health and hospitalization insurance, pension, stock option, stock ownership, incentive compensation and other benefit programs maintained by or for Transmedia at the date hereof. If Transmedia hereafter establishes any other programs, the Executive shall be included therein at least at the same level as the other senior executives of Transmedia. In addition, in the event of the Executive's Disability (as defined below), Transmedia will pay to the Executive the following: (i) during the first six months of Disability, 100% of the Salary that would be payable to the Executive but for such Disability; (ii) thereafter, and until the end of the Term, 75% of such Salary; and (iii) the Bonus for the period(s) provided in the next sentence. The Executive shall receive a Bonus for the entire fiscal year ending on any applicable September 30, if said September 30 occurs during the first six months of Disability; in all other instances, the Executive shall receive a portion of the Bonus for an entire year determined by multiplying the Bonus for the entire fiscal year by a fraction, the numerator of which is the total number of months starting with October 1st and ending upon the conclusion

of said six months of Disability and the denominator of which is 12. For purposes of this sub-paragraph (d), all calculations shall be made on the basis of full and not partial months. For the purposes hereof "Disability" shall mean a physical or mental impairment of such duration and degree that the Executive is determined by the Board of Directors of Transmedia to be substantially unable because of the impairment to perform the services described in Section 3.

(e) Transmedia agrees to provide the Executive with a One Thousand (\$1,000) Dollar monthly automobile allowance.

(f) Transmedia may provide to the Executive such additional compensation, bonuses, and benefits as its Board of Directors deems appropriate, but nothing herein shall obligate Transmedia to do so.

/bullet/ VACATION. The Executive shall be entitled to take four (4) weeks paid vacation during each twelve-month period this employment hereunder on a basis consistent with

the requirements of the business Transmedia and its subsidiaries and in accordance with Transmedia's customary practice for senior executives.

/bullet/ REIMBURSEMENT OF EXPENSES. During the term of this Agreement, the Executive shall be reimbursed for reasonable travel, entertainment and other expenses incident to the rendering, of services hereunder, upon presentation of expense statements or vouchers or such other supporting information as Transmedia may customarily require of its senior executives.

/bullet/ RESTRICTIONS

(a) The Executive acknowledges that the business of Transmedia is potentially nationwide in scope, and that it expects to be marketing its products and services throughout a wider geographical area than that in which it presently operates. Accordingly, during the Restricted Period (as defined below), the Executive shall not, unless acting with Transmedia's prior written consent: (i) directly or indirectly own, manage, operate, join, or control, or participate in the ownership, management, operations or control of, or be connected as a director, officer, employee, partner, stockholder, consultant or otherwise with, any business or organization located in or doing business in the Restricted Area (as defined below) which (A) is engaged in financing restaurant advertising or equipment or providing restaurant discounts to members of its programs or (B) directly or indirectly competes with any other business of Transmedia or any of its subsidiaries conducted at any time during the term hereof; or (ii) interfere with, or divert or attempt to divert the benefits of, any relationship with employees, agents, suppliers, restaurant clients, membership card holders or other customers maintained by Transmedia and its subsidiaries at any time during the Restricted Period. However, if the Executive's employment hereunder is terminated without "cause" (as defined in Section 9 hereof), then the provisions of this Section 7(a) shall cease, upon such termination. For the purposes of this Agreement, (i) "RESTRICTED PERIOD"

means the twenty-four-month period commencing upon the earlier of (x) the termination of the Executive's employment with Transmedia prior to the expiration hereof, either voluntarily by the Executive or by Transmedia for "cause"; or (y) the expiration of this Agreement after its stated term; and (ii) "RESTRICTED AREA" means any

geographical market in or with respect to which Transmedia, within twelve months prior to the commencement of the Restricted Period, is then operating or has taken significant affirmative steps to commence operations. Nothing in this Section 7(a) shall be construed to prevent the Executive from owning or dealing in any stock actively traded over-the-counter or on any recognized exchange and issued by a corporation which may compete directly or indirectly with Transmedia and its subsidiaries so long as the Executive does not participate in the management, control, or operations of any such corporation and the Executive's holdings do not at any time exceed Five Percent (5%) of the outstanding shares of any class of stock of such corporation.

(b) The Executive agrees that all confidential and proprietary matters which he may now have or may obtain during the Term of his employment hereunder relating in any way to the business of Transmedia and its subsidiaries shall not be disclosed to any other person, either during or after the termination of his employment, unless Transmedia has given its prior consent to such disclosure or such disclosure is a necessary incident to transactions which the Executive is pursuing in accordance with duties delegated to him by Transmedia's Board of Directors. The Executive shall promptly return all tangible evidence of such confidential and proprietary matters to Transmedia at the termination of his employment or upon Transmedia's earlier request.

(c) The Executive acknowledges that the remedy at law for his breach of the covenants contained in this Section 7 is inadequate, and that therefore Transmedia and its subsidiaries shall be entitled, in addition to any other right or remedy available to them, to injunctive relief and the remedy of specific performance to restrain the Executive from committing or continuing any such breach and to enforce the Executive's obligations hereunder.

(d) If any court of tribunal of competent jurisdiction shall refuse to enforce any or all of the provisions of this Section 7, because individually or taken together, they are deemed unreasonable, then the parties hereto understand and agree that any such provision or provisions shall not be void but for the purpose of such proceedings, shall be revised to the extent necessary to permit the enforcement of such provisions.

/bullet/ OWNERSHIP OF WORK PRODUCT. The Executive acknowledges that

during the term of his employment hereunder, he may conceive of, discover, invent or create inventions, improvements, new contributions, literary property, material, ideas and discoveries, whether or not patentable or copyrightable, which relate to the business of Transmedia and its subsidiaries (all of the

foregoing being collectively referred to herein as "Work Product"), and that various business opportunities appropriate for Transmedia and its subsidiaries may be presented to him by reason of his employment. The Executive acknowledges that, unless Transmedia otherwise agrees in writing, all of the foregoing shall be owned by and belong exclusively to Transmedia, and he shall have no personal interest therein. The Executive, at Transmedia's expense, shall further: (a) promptly disclose any such Work Product and business opportunities to Transmedia; (b) assign to Transmedia, upon request and without additional compensation, the entire rights to such Work Product and business opportunities; (c) sign all papers necessary to carry out the foregoing; and (d) give testimony in support of his discovery invention, or creation in any appropriate case.

/bullet/ TERMINATION.

(a) Notwithstanding anything contained herein to the contrary, the Executive's employment hereunder: (i) shall automatically terminate upon the Executive's death; and (ii) may be terminated by Transmedia's Board of Directors for "cause" (as hereinafter defined) upon 60 days prior written notice of termination, subject to the Executive's right to cure certain breaches constituting "cause", as provided below. For the purposes of this Agreement, termination shall be deemed to be "for cause" if: (i) the Executive is convicted of a felony; (ii) the Executive declares personal bankruptcy pursuant to any applicable law; (iii) the Executive commits an act of fraud with respect to Transmedia or misappropriates any of its funds; or (iv) the Executive directly and repeatedly refuses to perform his duties pursuant to this Agreement, or directly and repeatedly breaches any covenants contained herein. The written notice of termination shall set forth with specificity the reason for such termination. If the reason for such termination is the Executive's direct and repeated refusal to perform his duties hereunder or his direct and repeated breach of any covenants contained herein, the Executive shall have the right,

within 30 days of his receipt of such notice, to notify the Board of Directors of his intention to cure such breach. On or within 10 days before the effective date of termination, the Board of Directors shall meet to determine whether such breach has been effectively cured and, upon the majority vote of the Directors (not including the Executive) that it has been cured, the notice of termination shall be deemed ineffective. The Executive shall be entitled to be represented at such meeting by counsel. On the effective date of termination, except for the reimbursement of expenses incurred to such date, the Executive shall cease to have any further rights hereunder but shall be subject to all restrictions set forth elsewhere herein.

(b) Except where the Executive has exercised his right to attempt to cure pursuant to the preceding subsection, the Executive may, within 15 days following delivery of a notice of termination for "cause", by written notice to the Board of Directors of Transmedia, cause the matter of termination for "cause" by Transmedia to be discussed at the next regularly scheduled meeting of the Board of Directors or at a special meeting of the Board

of Directors requested by majority of its members. The Executive shall be entitled to be represented at such meeting by counsel. Such meeting shall be conducted according to procedures deemed equitable by a majority of the Directors present. If at such meeting, it shall be determined that this Agreement has been terminated without "cause", or that such "cause" shall be waived, the provisions of this Agreement shall be reinstated with the same force and effect as if the notice of termination had not been given; and the Executive shall be entitled to receive the compensation and other benefits provided herein for the period from the effective date of the notice of termination through the date of such reinstatement, plus all reasonable costs of his counsel, as approved by the Board of Directors of Transmedia. Except as provided in the first sentence of this subsection (b), neither the Executive's election to pursue or forego the procedures set forth in this subsection (b), nor a determination by the Board of Directors, at any meeting pursuant to this subsection, that the Executive's employment hereunder was terminated for "cause", shall prejudice or preclude the exercise any other right or remedy which the Executive may have at law or otherwise as a result of the termination of his employment hereunder.

/bullet/ NOTICES. Any Notices to be given hereunder shall be deemed to have been given if delivered personally against receipt, if sent by nationally recognized overnight delivery service, or if mailed by registered or certified mail, return receipt requested, to the following address: if to Transmedia, at 750 Lexington Avenue, New York, New York 10022, with a copy to Morgan, Lewis & Bockius LLP, at 101 Park Avenue, New York, New York 10178, to the attention of Stephen P. Farrell, Esq.; and if to the Executive, at 750 Lexington Avenue, New York, New York 10022. Either party may change his or its address set forth above by giving written notice to the other party in accordance with this Section.

/bullet/ GOVERNING LAW. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New York.

/bullet/ OPTIONS. The captions of the sections of this Agreement are for the purpose of convenience only, are not intended to be part of this Agreement and shall not be deemed to modify, explain, enlarge or restrict any of its provisions.

/bullet/ SEVERABILITY. If any clause or provision of this Agreement shall be held invalid or unenforceable, in whole or in part, in any jurisdiction, such invalidity or unenforceability shall attach only to such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect any other clause or provision hereof in any jurisdiction.

/bullet/ BINDING EFFECT; ASSIGNMENT. This Agreement shall bind and inure to the benefit of the respective heirs, representatives, successors and permitted assignees of Transmedia and the Executive. Transmedia may assign this Agreement or any of its rights and obligations hereunder to (i) any transferee of or successor to all or substantially all of the assets of business of Transmedia and its subsidiaries or (ii) any subsidiary or affiliate of

Transmedia; PROVIDED, HOWEVER, that no such assignment shall release Transmedia from its obligations hereunder. The Executive may not assign this Agreement or any of his rights and obligations hereunder under any circumstances.

/bullet/ MISCELLANEOUS. This Agreement embodies the entire understanding between Transmedia and the Executive with respect to its subject matter, and there is no extrinsic

agreement of any kind affecting it. This Agreement also supersedes and replaces any prior agreement with respect to the subject matter of this Agreement. This Agreement may not be changed or terminated orally, and no change, termination or waiver of this Agreement or of any of the provisions herein contained shall be binding unless made in writing and signed by the party against whom the same is sought to be enforced.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

TRANSMEDIA NETWORK INC.

By: /S/MELVIN CHASEN

Melvin Chasen, President

/S/JAMES M. CALLAGHAN

James M. Callaghan

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT, dated as of the 1st day of October, 1995, by and between TRANSMEDIA NETWORK INC., a Delaware corporation ("Transmedia"), and BARRY S. KAPLAN (the "Executive").

In consideration of the mutual promises and covenants herein contained, and intending to be legally bound hereby, the parties hereto do mutually agree as follows:

/bullet/ EMPLOYMENT. Transmedia agrees to and does hereby employ the Executive and the Executive accepts such employment, upon the terms and conditions hereinafter set forth. The Executive represents and warrants that he is free to enter into this Agreement and that his entering into this Agreement is not in violation of any obligations that he has to any other person, firm or corporation.

/bullet/ TERM. The term of this Agreement shall be for the period commencing October 1, 1995, and ending on September 30, 1997 (the "TERM"), unless earlier terminated as provided herein.

/bullet/ OFFICE AND DUTIES. The Executive shall perform such executive services in the operation of the business of Transmedia and its subsidiaries as Transmedia's Board of Directors or its President may from time to time reasonably assign to the Executive. Initially, the Executive shall hold the position of Vice President of Transmedia and President of Transmedia Service Company Inc., and shall report directly to Transmedia's President. During the term of this Agreement, the Executive shall:

- () work for Transmedia and its subsidiaries on a full-time, exclusive basis;
- () use his best efforts to apply on a full-time basis all of his skill and experience to the performance of his duties in such employment; and
- () not engage in any other business activities, other than personal investments in corporations and other entities which do not compete directly or indirectly with Transmedia and its subsidiaries. Notwithstanding the provisions of the preceding sentence, the Executive shall be entitled, on an occasional basis, to serve as a consultant to, or on the Board of Directors of, other public or private corporations (with the approval of Transmedia's President) during the term of this Agreement and to receive and retain all compensation paid to him in such capacities, so long as such other corporations do not compete directly or indirectly with Transmedia and its subsidiaries. The provisions of this Section 3 are subject to modification as set forth in Section 10.

/bullet/ COMPENSATION AND BENEFITS.

() For services rendered by the Executive under this Agreement, the Executive shall be paid an annual base salary (the "Salary") at the rate of Two Hundred Twenty-Five Thousand (\$225,000) Dollars from October 1, 1995 through September 30, 1996, and Two Hundred Fifty Thousand (\$250,000) Dollars from October 1, 1996 through September 30, 1997. The Salary shall be payable in equal weekly installments.

() As additional compensation, the Executive shall be eligible to receive annually a bonus of up to one-third (1/3) of his Salary during each fiscal year of Transmedia. The Bonus shall be payable on an annual basis within 120 days after the end of each fiscal year of Transmedia, commencing with the fiscal year ending September 30, 1996.

() Transmedia shall, during the Term, procure, maintain in force, and pay all premiums on an insurance policy to be issued on the life of the Executive, with his estate as beneficiary, in the face amount of Five Hundred Thousand (\$500,000) Dollars. Upon the expiration of the term of this Agreement, Transmedia shall transfer the ownership of such policy to the Executive without any payment by the Executive whether or not he becomes disabled during the Term.

() At all times during the term of this Agreement, the Executive shall be included in any life, medical, health and hospitalization insurance, pension, stock option, stock ownership, incentive compensation and other benefit programs maintained by or for Transmedia at the date hereof. If Transmedia hereafter establishes any other programs, the Executive shall be included therein at least at the same level as the other senior executives of Transmedia. In addition, in the event of the Executive's Disability (as defined below), Transmedia will pay to the Executive the following: (i) during the first six months of Disability, 100% of the Salary that would be payable to the Executive but for such Disability; (ii) thereafter, and until the end of the Term, 75% of such Salary, and (iii) the Bonus for the period(s) provided in the next sentence. The Executive shall receive a Bonus for the entire fiscal year ending on any applicable September 30, if said September occurs during the first six months of Disability; in all other instances, the Executive shall receive a portion of the Bonus for an entire year determined by multiplying the Bonus for the entire fiscal year by a fraction, the numerator of which is the total number of months starting with October 1st and ending upon the conclusion of said six months of Disability and the denominator of which is 12. For purposes of this sub-paragraph (d), all calculations shall be made on the basis of full and not partial months. For the purposes hereof "Disability" shall mean a physical or mental impairment of such duration and degree that the Executive is determined by the Board of Directors of Transmedia to be substantially unable because of the impairment to perform the services described in Section 3. The Salary and Bonus payable under this paragraph (d) shall be in lieu of any amounts of salary and Bonus otherwise payable under this Employment Agreement.

() Transmedia agrees to provide the Executive with a One Thousand (\$1,000) Dollar monthly automobile allowance.

() Transmedia may provide to the Executive such additional compensation, bonuses, and benefits as its Board of

Directors deems appropriate, but nothing herein shall obligate Transmedia to do so.

/bullet/ VACATION. The Executive shall be entitled to take four (4) weeks paid vacation during each twelve-month period of this employment hereunder on a basis consistent with the requirements of the business of Transmedia and its subsidiaries and in accordance with Transmedia's customary practice for senior executives.

/bullet/ REIMBURSEMENT OF EXPENSES. During the term of this Agreement, the Executive shall be reimbursed for reasonable travel, entertainment and other expenses incident to the rendering of services hereunder, upon presentation of expense statements or vouchers or such other supporting information as Transmedia may customarily require of its senior executives.

/bullet/ RESTRICTIONS

() The Executive acknowledges that the business of Transmedia is nationwide and international in scope, and that it expects to be marketing its products and services throughout an ever wider geographical area than that in which it presently operates. Accordingly, during the Restricted Period (as defined below), the Executive shall not, unless acting with Transmedia's prior written consent: (i) directly or indirectly own, manage, operate, join, or control, or participate in the ownership, management, operations or control of, or be connected as a director, officer, employee, partner, stockholder, debtholder, consultant or otherwise with, or advise, finance or assist, any business or organization located in or doing business in the Restricted Area (as defined below) which (A) is engaged in financing restaurant advertising or equipment or providing restaurant, lodging, or resort discounts to members of its programs or (B) directly or indirectly competes with any other business of Transmedia or any of its subsidiaries, licensees or franchisees conducted at any time during the term hereof; or (ii) interfere with, or divert or attempt to divert the benefits of, any relationship with employees, agents, suppliers, restaurant, lodging or resort clients, membership card holders or other customers maintained by Transmedia, its subsidiaries, licensees or franchisees at any time during the Restricted Period. However, if the Executive's employment hereunder is terminated without "cause" (as defined in Section 9 hereof), then the provisions of this Section 7(a) shall cease upon such termination. For the purposes of this Agreement, (i) "RESTRICTED PERIOD" means the twenty-four-month period commencing upon the earlier of (x) the termination of the Executive's employment with Transmedia prior to the

expiration hereof, either voluntarily by the Executive or by Transmedia for "cause"; or (y) the expiration of this Agreement after its stated term; and (ii) "RESTRICTED AREA" means any geographical market in or with respect to which Transmedia or any subsidiary, franchisee or licensee of Transmedia, within twelve months prior to the commencement of the Restricted Period, is then operating or has taken significant affirmative steps to commence operations. Nothing in this Section 7(a) shall be construed to prevent the Executive from

owning or dealing in any stock actively traded over-the-counter or on any recognized exchange and issued by a corporation which may compete directly or indirectly with Transmedia and its subsidiaries so long as the Executive does not participate in the management, control, or operations of any such corporation and the Executive's holdings do not at any time exceed Five Percent (5%) of the outstanding shares of any class of stock of such corporation.

() The Executive agrees that all confidential or proprietary information and data which he may now have or may obtain during the Term of his employment by, and relating in any way to the business of, Transmedia, its subsidiaries, licensees or franchisees he shall, both during and after his employment, hold in confidence and not disclose to any other person, or use for any purpose other than in connection with his employment hereunder, unless Transmedia has given its prior consent to such disclosure or use. The Executive shall promptly return all tangible evidence of such confidential or proprietary information and data to Transmedia at the termination of his employment or upon Transmedia's earlier request.

() The Executive acknowledges that the remedy at law for his breach of the covenants contained in this Section 7 may be inadequate, and that therefore Transmedia and its subsidiaries shall be entitled, in addition to any other right or remedy available to them, to injunctive relief and the remedy of specific performance to restrain the Executive from committing or continuing any such breach and to enforce the Executive's obligations hereunder.

() If any court of tribunal of competent jurisdiction shall refuse to enforce any or all of the provisions of this Section 7, because individually or taken together, they are deemed unreasonable, then the parties hereto understand and agree that any such provision or provisions shall not be void but for the purpose of such proceedings, shall be revised to the extent necessary to permit the enforcement of such provisions.

/bullet/ OWNERSHIP OF WORK PRODUCT. The Executive acknowledges that during the term of his employment hereunder, he may conceive of, discover, invent, or create inventions, improvements, new contributions, literary property, material, ideas and discoveries, whether or not patentable or copyrightable, which relate to the business of Transmedia and its subsidiaries (all of the foregoing being collectively referred to herein as "Work Product"), and that various business opportunities appropriate for Transmedia and its subsidiaries may be presented to him by reasons of his employment. The Executive

acknowledges that, unless Transmedia otherwise agrees in writing, all of the foregoing shall be owned by and belong exclusively to Transmedia, and he shall have no personal interest therein. The Executive, at Transmedia's expense, shall further: (a) promptly disclose any such Work Product and business opportunities to Transmedia; (b) assign to Transmedia, upon request and without

additional compensation, the entire rights to such Work Product and business opportunities; (c) sign all papers necessary to carry out the foregoing; and (d) give testimony in support of his discovery, invention, or creation in any appropriate case.

/bullet/ TERMINATION. Notwithstanding anything contained herein to the contrary, the Executive's employment hereunder: (i) shall automatically terminate upon the Executive's death; and (ii) may be terminated by Transmedia's Board of Directors for "cause" (as hereinafter defined) upon 60 days prior written notice of termination, subject to the Executive's right to cure certain breaches constituting "cause", as provided below. For the purposes of this Agreement, termination shall be deemed to be "for cause" if: (i) the Executive is convicted of a felony; (ii) the Executive declares personal bankruptcy pursuant to any applicable law; (iii) the Executive commits an act of fraud with respect to Transmedia or any subsidiary, franchisee or licensee of Transmedia or any subsidiary, franchisee or licensee of Transmedia or misappropriates any of its or their funds; or (iv) the Executive refuses to perform his duties pursuant to this Agreement, or directly and repeatedly breaches any covenants contained herein. On the effective date of termination, except for the reimbursement of expenses incurred to such date, the Executive shall cease to have any further rights hereunder but shall be subject to all restrictions set forth elsewhere herein.

/bullet/ SALE OF TRANSMEDIA. The sale of all or substantially all of the assets of Transmedia, or the sale of a "control block" (as hereafter defined) of its shares to any person during the Term shall be made subject to the Executive's right to either 1) continue his employment under the terms of this Agreement or 2) within 90 days after such sale, elect to resign from his positions with Transmedia. In the event the Executive chooses to resign from his positions with Transmedia, he shall receive, without the necessity of performing consulting or other services for Transmedia, a payment in lump sum of Five Hundred Thousand (\$500,000) Dollars. Such lump sum payment shall be made by Transmedia to the Executive within seven (7) days of Transmedia's receipt of the Executive's notice of resignation. In addition, the Executive shall receive the benefits with respect to the life insurance policy, payment of death benefits as set forth in Section 4(c). For the purposes hereof "control block" means any block of shares the possession of which, when added to any shares already owned, directly or indirectly gives the power in any form to direct or cause the direction of the management and policies of Transmedia.

/bullet/ NOTICES. Any Notices to be given hereunder shall be deemed to have been given if delivered personally against receipt, if sent by

nationally recognized overnight delivery service, or if mailed by registered or certified mail, return receipt requested, to the following address: if to Transmedia, at 750 Lexington Avenue, New York, New York 10022, with a copy to Morgan, Lewis & Bockius LLP at 101 Park Avenue, New York, New York 10178, to the attention of Stephen P. Farrell, Esq.; and if to the Executive, at 11900 Biscayne Boulevard, North Miami, Florida 33181. Either party may change his or its address set

forth above by giving written notice to the other party in accordance with this Section.

/bullet/ GOVERNING LAW. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New York.

/bullet/ CAPTIONS. The captions of the sections of this Agreement are for the purpose of convenience only, are not intended to be part of this Agreement and shall not be deemed to modify, explain, enlarge or restrict any of its provisions.

/bullet/ SEVERABILITY. If any cause of provision of this Agreement shall be held invalid or unenforceable, in whole or in part, in any jurisdiction, such invalidity or unenforceability shall attach only to such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect any other cause or provision hereof in any jurisdiction.

/bullet/ BINDING EFFECT; ASSIGNMENT. This Assignment shall bind and inure to the benefit of the respective heirs, representatives, successors and permitted assignees of Transmedia and the Executive. Transmedia may assign this Agreement or any of its rights and obligations hereunder to (i) any transferee of or successor to all or substantially all of its assets of business of Transmedia and its subsidiaries or (ii) any subsidiary or affiliate of Transmedia; PROVIDED, HOWEVER, that no such assignment shall release Transmedia from its obligations hereunder. The Executive may not assign this Agreement or any of his rights and obligations hereunder any circumstances.

/bullet/ MISCELLANEOUS. This Agreement embodies the entire understanding between Transmedia and the Executive with respect to its subject matter, and there is no extrinsic agreement of any kind affecting it. This Agreement also supersedes and replaces any prior agreement with respect to the subject matter of this Agreement. This Agreement may not be changed or terminated orally, and no change, termination or waiver of this Agreement or of any of the provisions herein contained shall be binding unless made in writing and signed by the party whom the same is sought to be enforced.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

TRANSMEDIA NETWORK INC.

By: /S/MELVIN CHASEN

Melvin Chasen, President

/S/BARRY S. KAPLAN

Barry S. Kaplan

Agreement dated December 6, 1996, by and among Transmedia Network, Inc., TMNI International Incorporated (Transmedia Network, Inc. and TMNI International Incorporated are collectively referred to herein as "Network"), Transmedia Europe, Inc. and Transmedia Asia Pacific, Inc. (Transmedia Europe Inc. and Transmedia Asia Pacific, Inc. are individually referred to as "TMNE" and "TMNA" respectively and are collectively referred to as the "Network Licensees")

WHEREAS Network and TMNE are parties to a Master License Agreement dated December 14, 1992 as amended (the "TMNE License");

WHEREAS Network and TMNA are parties to a Master License Agreement dated March 21, 1994 (the "TMNA License").

WHEREAS the parties wish to enter into certain agreements set forth herein which either directly or by operation of such agreements modify the terms of the TMNE License and the TMNA License (collectively called the "Licenses").

NOW, THEREFORE the parties, intending to be legally bound, agree as follows:

/bullet/ DEFINITIONS Except as otherwise specifically defined herein, capitalized terms used herein shall have the same meanings ascribed to them in the Licenses.

/bullet/ RESTRUCTURING. The Network Licensees and certain affiliates of the Network Licensees intend to enter into a corporate restructuring (the "Restructuring") pursuant to which a holding company (herein called "New Corp.") will be established. The Network Licensees (which may be merged into one entity), together with any other entity to which any rights under the Licenses are granted (collectively with the Network Licensees, the "Network Business Entities"), and other entities that are not engaged in the "Business" will comprise direct or indirect subsidiaries of New Corp. (New Corp. and all such subsidiaries being referred to collectively as the "New Corp. Group"). It is likely that New Corp. will be a publicly traded company. Subject to the terms and conditions set forth in this Agreement, Network agrees that the Restructuring and the establishment of the New Corp. Group will not constitute a breach of the Licenses. Upon the completion of the Restructuring, New Corp. shall pay to Network the sum of U.S. \$250,000 which payment shall be made by wire transfer to a bank account designated by Network.

/bullet/ PERMITTED OPERATIONS OF THE NEW CORP. GROUP. The members of the New Corp. Group, other than the Network Business Entities, may engage in any business or activity of any nature whatsoever other than activities which are in competition with the "Business" under the terms of the Licenses provided that all such non-competitive businesses and activities shall not be conducted under

the Marks; no member of the New Corp. Group shall have any liability or obligation to Network as a result of engaging in such non-competitive activities.

/bullet/ OPERATIONS OF THE NETWORK BUSINESS ENTITIES. The operations of the Network Business Entities shall be conducted exclusively in one or more separate corporations, none of which shall engage in any business or activity except in connection with the Business. Nothing contained herein or in the Licenses shall prohibit the Network Business Entities from being owned by one or more other members of the New Corp. Group.

/bullet/ COUNTDOWN BUSINESSES. Notwithstanding the provisions of paragraph 3 above, New Corp. or a subsidiary of New Corp shall have the right to acquire and conduct on a worldwide basis the business of Countdown, plc, Holding Corp. ("Countdown") in exchange for the payment to Network on the closing of such acquisition of the sum of U.S. \$750,000 which payment shall be made by wire transfer to a bank account designated by Network. New Corp. and the Network Licensees shall not permit Countdown to use the Network Business Entities' list of Cardholders or their list of Member Restaurants in connection with any activities of Countdown or any other member of the New Corp. Group which would be competitive with the Business. The foregoing shall not prohibit an interest owner of a Network Business Entity from at the same time also owning an interest in Countdown, plc, provided that the limitation on use of the Cardholder and the Member Restaurants list is maintained. The business of Countdown shall not be conducted under the Marks and shall not use the system of operations described under the term Business in Section 1.2 of the Licenses.

/bullet/ MODIFICATION OF LICENSES. In addition to modifications or amendment to the Licenses resulting from the provisions or paragraphs 1 through 5 hereof, the Licenses shall be modified and amended as follows:

- () The definition of the term "Licensees" shall be modified to include all members of the New Corp. Group who succeed to the interest of such Licenses by Transfer or operation of law as permitted by the Licenses or this Agreement
- () Solely to facilitate transfers among members of the New Corp Group the Licenses shall be amended to eliminate any requirement for prior Network approval of transfers of Control of the Licensee from any member of the New Corp. Group to any other member of the New Corp. Group as well as to eliminate any other restriction on transferability among members of the New Corp. Group. In addition, the Licenses shall be amended by eliminating Section 22.5.
- () (A) The first sentence of Section 1.3 of each License Agreement shall be amended by inserting the words "direct or indirect (as such term is used in Section 22.3(g) hereof)" prior to the words "beneficial ownership" and the words "other than a member of the New Corp. Group"

immediately after the words "beneficial ownership."

(B) Section 22.3 of each License Agreement shall be amended by (i) deleting "or" at the end of each clause (e) thereof, (ii) inserting "; or" in lieu of the period at end of

each clause (f) thereof, and (iii) inserting the following clause (g) in each such Section 22.3:

"(g) any person or group other than a member of the New Corp. Group shall acquire, directly or indirectly, beneficial ownership of thirty percent or more of the equity of the Licensee, without the prior written consent of the Licensor. For purposes of Section 1.3 and this clause (g), a person or group shall be deemed to acquire beneficial ownership, indirectly, of a proportional percentage of the equity of the Licensee by acquiring beneficial ownership, directly or indirectly, of an equity interest in any other person which itself beneficially owns, directly or indirectly, an equity interest in the Licensee. The terms "acquires," "group" "directly and indirectly" and "beneficially own" shall have the respective meanings and usages ascribed to them under Section 13(d) of the Securities Exchange Act of 1934, as amended, and Regulation 13D-G thereunder."

- () Section 21.1 shall be amended by deleting the first sentence thereof and substituting the following:
"Licensee covenants that during the Term of this Agreement, except as otherwise approved in writing by Licensor, Licensee's designated manager, who shall be approved in writing by Licensor, shall devote sufficient time, energy and efforts necessary for the management and operation of the Business.
- () The New Corp. Group shall take all reasonable steps to ensure that the Network Licensees shall maintain sufficient working capital necessary to conduct the Business in the ordinary course. In this regard, the Licenses shall be amended by adding a new subsection (l) to Section 22.2 as follows, "(l) failure to maintain working capital adequate to conduct Licensee's Business in the ordinary course".

/bullet/ PERMITTED OPERATIONS OF NETWORK. Network may engage in any business or activity of any nature whatsoever other than activities which are in competition with the "Business" under the terms of the Licenses in the Territories under the Licenses. Network shall have no liability or obligation as a result of engaging in such non-competitive activities. Such non-competitive

businesses shall not be conducted under the Marks. In addition, Network may establish, acquire and operate in the Territories a competitive business similar to that conducted by Countdown provided that such competitive business shall not be conducted under the Marks and shall not use the system of operations described under the term Business in Section 1.2 of the Licenses.

/bullet/ CONFLICTS: REAFFIRMATION OF LICENSES. In the event of any explicit conflict between the terms and provisions of the Licenses and the terms and provisions of this Agreement, the terms and provisions of this Agreement shall govern. Except as modified and amended hereby, the Licenses shall remain in full force and effect in accordance with their terms.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed, sealed and delivered this Agreement the day and year first above written.

TRANSMEDIA NETWORK INC.

ATTEST: By: /S/MELVIN CHASEN

Melvin Chasen

/S/BARRY KAPLAN Title: PRESIDENT

TMNI INTERNATIONAL INCORPORATED.

ATTEST: By: /S/DAVID WEINBERG

David Weinberg

/S/BARRY KAPLAN Title: PRESIDENT

TRANSMEDIA EUROPE, INC.

ATTEST: By: /S/EDWARD GUINON

Edward Guinon

/S/WILL PRICE Title: CHAIRMAN

TRANSMEDIA ASIA PACIFIC, INC.

ATTEST: By: /S/EDWARD GUINON

Edward Guinon

/S/WILL PRICE Title: CHAIRMAN

PURCHASE AGREEMENT

PURCHASE AGREEMENT dated as of November 15, 1996, between The Western Transmedia Company, Inc., a Delaware corporation (the "Seller") and Transmedia Network Inc., a Delaware corporation (the "Purchaser").

R E C I T A L S

WHEREAS, Seller wishes to sell certain of its assets to the Purchaser and the Purchaser wishes to purchase such assets from the Seller all upon the terms set forth herein; and

WHEREAS, the Seller has entered into a franchise agreement with the Purchaser (the "Franchise Agreement") pursuant to which the Seller has the exclusive right (the "Franchise") to acquire "Rights to Receive" from participating restaurants and other establishments located in the States of California, Oregon, Washington and parts of Nevada that accept The Transmedia Card and to sell such "Rights to Receive" to holders of The Transmedia Card, and the Seller and the Purchaser wish to terminate the Franchise and the Franchise Agreement upon the terms set forth herein;

NOW, THEREFORE, in consideration of the premises and the mutual representations, warranties, covenants, agreements and conditions herein contained, the parties agree as follows:

ARTICLE

THE TRANSACTIONS

/bullet/ THE TRANSACTIONS. On the terms and conditions set forth in this Agreement, at the Closing (as hereinafter defined):

() the Purchaser shall purchase from the Seller, and the Seller shall sell, assign, transfer and convey to the Purchaser, the following assets, properties and rights existing on the Closing Date, as hereinafter defined (collectively, the "Assets"):

(i) all of the Seller's "Rights to Receive" consisting of the food and beverage credits of the Seller and its affiliates at, and any loans or advances of the Seller and its affiliates to, restaurants and other establishments that participate in the network of such establishments that accept The Transmedia Card and any and all agreements, contracts, guarantees, instruments, security agreements and other documents evidencing or securing, and any collateral and security interests securing, such credits, loans and advances

(collectively, the "Rights to Receive");

(ii) all of the Seller's furniture, fixtures and equipment (the "Furniture, Fixtures and Equipment"), including, without limitation, all POS terminals purchased from the Purchaser and all computer and automatic machinery software and programs and disks, program documentation, tapes, manuals and other related materials;

(iii) leases for the real estate and equipment listed on Exhibit A hereto, including all security deposits deposited by or on behalf of the Seller as lessee or sublessee, or held by or on behalf of the Seller as lessor or sublessor, under such leases (the "Assumed Leases");

(iv) the Seller's prepaid expenses and items listed in Exhibit B hereto (the "Prepaid Expenses"); and

(v) all rights of the Seller and its affiliates in any intellectual property (the "Intellectual Property") relating to the business conducted by the Seller and its affiliates pursuant to the Franchise Agreement, including any patents, trademarks, service marks,

trade names, slogans, trade secrets, advertising and promotional materials, and copyrights (and any applications to register and licenses to use any of the foregoing); and

() the Seller and the Purchaser shall terminate the Franchise Agreement, the Franchise and any associated rights and licenses with immediate effect.

/bullet/ THE CONSIDERATION.

(a) At the Closing, the Purchaser shall pay to the Seller, by certified check or wire transfer of immediately available funds to an account at such bank in the United States as the Seller shall specify in writing to the Purchaser at least two business days prior to the Closing Date, as consideration:

(i) for the Rights to Receive, an amount equal to the excess of the gross amount of the Rights to Receive (as specified on Schedule 1.2(i) of the Seller Disclosure Letter (as hereinafter defined)), over the amount equal to the sum of (1) the Rights to Receive which the Seller has determined are uncollectible or unrealizable (as specified on Schedule 1.2(ii) of the Seller Disclosure Letter); (2) \$70,000, which is the amount currently reserved by the Seller in its accounting records for uncollectible or unrealizable Rights to Receive (the "Reserve Amount"); and (3) any accounts payable in respect of the Rights to Receive being assumed by the Purchaser (as specified on Schedule 1.2(iii) of the Seller Disclosure Letter);

(ii) for the Franchise Agreement, the Franchise and the Intellectual Property (if any), the sum of \$4,750,000;

(iii) for the Furniture, Fixtures and Equipment, (including the POS terminals) the sum of \$28,500;

(iv) for the Prepaid Expenses, the amount shown on Exhibit B; and

(v) \$8,865 (which is the amount of the security deposits under the Assumed Leases for the real property).

(b) As further consideration for the Assets, the Purchaser shall assume and perform the following contractual liabilities and obligations (the "Assumed Liabilities") of the Seller: (i) the Seller's liabilities and obligations under the Assumed Leases to the extent such obligations arise and are to be performed after the Closing Date (but not any liability or obligation for any breach or default (by the Seller), or penalty arising out of the use or occupancy of the subject premises or equipment, or any rent, additional rent, tax or expense due with respect to any period ending on or prior to the Closing Date) and (ii) the Seller's liabilities and obligations, disclosed in Exhibit C hereto, arising under any of the agreements, contracts, guarantees, instruments, security agreements and other documents evidencing or securing the Rights to Receive, including agreements obligating participating restaurants in the Franchise territory to sell Rights to Receive to the Seller (but not any liability or obligation for any breach or default (by the Seller) or penalty under such agreement, contract, guaranty, instrument or security agreement). The Purchaser is not assuming and shall not be obligated to pay, perform or discharge, and the Seller shall indemnify the Purchaser and its affiliates against, any other liability or obligation of the Seller or any of its affiliates arising out of the conduct of their business, the ownership or use of the Assets and the occupancy or use of the premises and equipment subject to the Assumed Leases on or prior to the Closing Date. The Purchaser has not agreed to hire or extend any offer of employment to any employee of the Seller or any of its affiliates other than Stuart M. Pellman.

(c) FORM 8594. The Purchaser and the Seller shall agree upon the allocation of consideration to the Assets for tax purposes. The Purchaser and the Seller shall each file the Asset Acquisition Statement on IRS Form 8594 by the due date of their respective income tax returns for the taxable year that includes the Closing Date and otherwise report the sale and purchase of the Assets for all tax purposes in accordance with such allocation and consistent with one another.

/bullet/ CLOSING.

() DATE AND PLACE. The closing of the transactions contemplated hereby (the "Closing") shall take place at the offices of Morgan, Lewis & Bockius LLP, 101 Park

Avenue, New York, New York 10178, commencing at 10:00 a.m. local time, on the fifth business day following the date on which the last of the conditions set forth herein in Article VI hereof shall be fulfilled or waived in accordance with this Agreement, or at such other place and time as the parties may agree in writing. The "Closing Date" shall be the date on which the Closing occurs.

() TRANSFER, ASSUMPTION AND PURCHASE.

(i) On the Closing Date, the Seller will convey, transfer, assign and deliver to the Purchaser (or its designees), and put the Purchaser (or its designees) in full possession and quiet enjoyment of the Assets. In furtherance thereof, the Seller shall deliver to the Purchaser (or its designees):

(1) a general assignment and bill of sale in the form of Exhibit D hereto;

(2) such other specific assignments, bills of sale and forms of transfer to such of the Assets, and in such form, as the Purchaser may reasonably request;

(3) an assignment of each of the Assumed Leases and of any other agreement, contract or arrangement to be assumed by the Purchaser (or its designees), in form and substance satisfactory to the Purchaser and indemnifying, defending and holding harmless the Purchaser from and against all claims, actions, proceedings, losses, liabilities and expenses (including, without limitation, reasonable attorneys' fees) imposed upon or incurred by the Purchaser by reason of the Seller's failure to perform the obligations under the Assumed Leases or such other agreements, contracts or arrangements prior to the Closing, with any necessary or appropriate executed consents of lessors or other persons attached and any related transfer tax forms;

(4) a FIRPTA affidavit in the form of Exhibit E hereto; and

(5) such other assignments, financing statements, instruments or other documents as the Purchaser may reasonably request. In addition, the Seller

shall use its best efforts to obtain an estoppel certificate from each of the landlords under the Assumed Leases in form and substance satisfactory to the Purchaser, dated not more than ten (10) days prior to the Closing Date, but the receipt of such certificate shall not be a condition of Closing.

(ii) On the Closing Date, the Purchaser shall execute and deliver to the Seller an assumption agreement substantially in the form of Exhibit D hereto whereby the Purchaser shall agree to assume the Assumed

Liabilities.

(iii) From and after the Closing Date, except as provided in Section 1.3(e), the Purchaser, in the name of the Seller but on behalf of and for the benefit of the Purchaser, may at its own cost or expense collect, assert or enforce any claim, right or title of any kind in, with respect to or to any of the Assets (including, without limitation, instituting and prosecuting any proceedings in connection therewith), or defend or compromise any and all claims, actions, suits or proceedings in respect of any of the Assets, and otherwise to do all such acts and things in relation to the Assets as the Purchaser shall deem advisable (including, without limitation, asserting any rights under any Assets or performing or accepting performance under any agreements), and the Purchaser shall retain for its own account any amounts collected pursuant to the foregoing, including any sums payable as interest in respect thereof.

() REAL PROPERTY. At the Closing, the Purchaser and the Seller will apportion the amount of any fixed and additional rent, real estate taxes, and utility expenses, including, without limitation, expenses for gas, electricity, telephone and water, with respect to the real property subject to the Assumed Leases for the month or other relevant period during which the Closing occurs.

() POST-CLOSING ADJUSTMENT. As soon as practicable, but in any event within 60 days after the Closing Date, the Purchaser shall cause to be prepared, without audit, as of the Closing Date a statement of the Prepaid Expenses (the "Final Statement of Prepaid Expenses") and a statement of the Rights to Receive (the "Final Statement of the Rights to Receive", and together with the Final Statement of Prepaid Expenses, the "Final Statements").

The Final Statement of Prepaid Expenses shall set forth as of the Closing Date the amount of the Prepaid Expenses.

The Final Statement of Rights to Receive shall set forth as of the Closing Date the value of the Rights to Receive determined as follows: the gross amount of the Rights to Receive as of the Closing Date, less the sum of (i) the amount of specifically identified unrealizable or uncollectible accounts set forth in Schedule 1.2(ii) as of the date of this Agreement, (ii) the Reserve Amount, (iii) any accounts payable in respect of the Rights to Receive being assumed by the Purchaser and (iv) the amount of any Rights to Receive (not reflected on Schedule 1.2(ii)) which prior to the Closing Date became unrealizable or uncollectible (but excluding any Right to Receive in excess of \$10,000 that is acquired by the Seller after the date hereof and prior to the Closing Date with the consent of the Purchaser). The Final Statement of the Rights to Receive shall specifically identify the value of each of the Rights to Receive designated on Schedule 1.3(e) of the Seller's Disclosure Letter (which shall be the amount paid for such Rights to Receive for purposes of Section 1.3(e)). In the event any of such Rights to Receive designated on Schedule 1.3(e) become unrealizable or uncollectible between the date hereof and

the Closing Date, the provisions of Section 1.3(e) shall apply with respect thereto.

The Purchaser shall furnish the Final Statements to the Seller. Upon receipt by the Seller of the Final Statements, the Seller shall be permitted during the ten (10) day period following such receipt (the "Review Period") to review the Prepaid Expenses and the Rights to Receive and deliver a written statement to the Purchaser of any objection it has to the Final Statements. If no such statement of objection is delivered to the Purchaser by the Seller within the Review Period, the Prepaid Expenses and the Rights to Receive shall be that set forth in the Final Statement. If, however, the Seller delivers such a statement of objection to the Purchaser, then the Seller and the Purchaser shall attempt to resolve the objections contained therein. Failing their agreement, such objections shall be resolved by a firm of independent certified public accountants, mutually acceptable to the Seller and Purchaser, whose determination

as to each of the Final Statements shall be conclusive and binding upon the parties. The fees and expenses of such independent certified public accountants shall be borne equally by the Seller and Purchaser. The Seller and the Purchaser each agree that the San Francisco office of the accounting firms of Ernst & Young LLP and Deloitte & Touche LLP are mutually acceptable independent certified public accountants to resolve any objections hereunder.

If the aggregate value of the Prepaid Expenses and the Rights to Receive as of the Closing Date as determined in accordance with this Section 1.3(d) is (i) greater than the amounts paid the Seller by the Purchaser pursuant to Sections 1.2(a)(i) and 1.2(a)(iv), then the Purchaser shall pay the Seller the amount of the difference, or (ii) less than the amount paid the Seller by the Purchaser pursuant to Sections 1.2(a)(i) and 1.2(a)(iv), then the Seller shall promptly pay the Purchaser the amount of the difference. Any such payment shall be made within five (5) business days after the determination of the value of the Prepaid Expenses and the Rights to Receive from the Final Statements.

() OTHER ADJUSTMENTS. If any of the Rights to Receive which are designated on Schedule 1.3(e) of the Seller's Disclosure Letter become uncollectible or unrealizable within twelve (12) months after the Closing Date, the Seller shall refund to the Purchaser the full amount paid for such Rights to Receive at the Closing less the amount, if any, the Purchaser has collected on such Rights to Receive, and such Rights to Receive shall be reassigned to the Seller.

() DETERMINATION OF UNCOLLECTIBLE OR UNREALIZABLE RIGHTS TO RECEIVE. For purposes of Sections 1.2(a)(i), 1.3(d) and 1.3(e) hereof, Rights to Receive shall be deemed to be uncollectible or unrealizable if (i) the counterparty thereto does not accept The Transmedia Card, (ii) the counterparty thereto ceases business operations or (iii) the counterparty thereto seeks to

take advantage of, or any involuntary action is taken with respect to it under, any bankruptcy, insolvency or other law for the relief of debtors. In addition, for purposes of Section 1.3(e) only, Rights to Receive shall also be deemed to be uncollectible or unrealizable if the value of Rights to Receive previously purchased from the counterparty thereto and in any 60-day period sold to holders of The Transmedia Card is less than 50% of the product of (x) the value of such

Rights to Receive sold to holders of The Transmedia Card during the one-year period immediately preceding the Closing Date and (y) .164383561.

/bullet/ FURTHER ASSURANCES.

() On the Closing Date and from time to time thereafter, the Seller shall take all actions that may be required to put the Purchaser in the position to take actual possession and control of all of the Assets. The Seller and its affiliates shall on the Closing Date and thereafter from time to time execute and deliver at the request of the Purchaser all such further assignments, instruments, financing statements, licenses, applications and any other documents which the Purchaser may reasonably request, in form and substance reasonably satisfactory to the Purchaser and its counsel, in order to effectuate the sale and transfer of the Assets to the Purchaser as contemplated by this Agreement and to terminate the Franchise and the Franchise Agreement.

() From the date hereof, the Seller agrees to use its best efforts to obtain any required or appropriate consent of any third party to the transactions contemplated hereby. To the extent that the full benefit of any of the Assumed Leases or any of the other Assets to be assigned, sold and conveyed to the Purchaser (or its designees) or any of the Assumed Liabilities to be assumed by the Purchaser (or its designees) hereunder, cannot be obtained for the Purchaser or its designees without the consent of a third party or without giving rise to an event of default or a right of cancellation or acceleration in favor of a third party, and despite the best efforts of the Seller to obtain such consent of the other party or parties on or before the Closing Date, such consent is not obtained by such date, any such Assets, Assumed Leases or Assumed Liabilities shall be deemed to be excluded from the Assets, the Assumed Leases or the Assumed Liabilities, as the case may be, hereunder and the Seller agrees to cooperate with the Purchaser or its designees in any reasonable arrangements, at the Seller's expense (other than filing fees for the Financing Statements, as hereinafter defined, which shall be borne by the Purchaser up to the first \$5,000, and shared equally by the Purchaser and the Seller

to the extent they exceed the first \$5,000), designed to obtain such consent and to provide for the Purchaser or its designees the benefits under any such Assets, Assumed Leases or Assumed Liabilities, including enforcement for the account of the Purchaser or its designees after the Closing Date of any and all rights of the Seller against the other party thereto arising out of the breach, cancellation or acceleration thereof by such other party or otherwise.

ARTICLE

REPRESENTATIONS AND WARRANTIES OF THE SELLER

The Seller represents, warrants and covenants to the Purchaser that, except as disclosed in a letter (the "Seller Disclosure Letter") delivered by the Seller to the Purchaser at the date of this Agreement containing schedules (the "Schedules") specifically referencing the particular representations and warranties to which such Schedules relate:

/bullet/ ORGANIZATION; POWER; CAPITAL STOCK, ETC.

() The Seller is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation. The Seller has the requisite corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement by the Seller and the consummation by it of the transactions contemplated hereby have been duly authorized by the Board of Directors of the Seller and no other corporate proceedings, other than the approval of the transactions contemplated by this Agreement and of the Charter Amendment (as hereinafter defined) by the holders of a majority of the outstanding common stock of the Seller (the "Stockholder Approval"), are necessary to authorize this Agreement or the consummation of the transactions contemplated by this Agreement. This Agreement has been duly executed and delivered by the Seller and, assuming the due authorization, execution and delivery by the Purchaser, constitutes the legal, valid and binding obligation of the Seller, enforceable against it in accordance with its terms.

() As of the record date of the meeting of the Seller's stockholders to be held pursuant to Section 5.3 hereof, the authorized and outstanding capital stock of the

Seller consists of 25,000,000 shares of Common Stock, par value \$.60 per share, of which 7,903,421 shares are outstanding, and 2,000,000 shares of Preferred Stock, par value \$.10 per share, none of which are outstanding; and a total of 2,783,821 shares of Common Stock are reserved for issuance upon outstanding options, warrants, conversion and other rights.

/bullet/ NO CONFLICT; REQUIRED FILINGS AND CONSENTS.

() The execution, delivery and performance of this Agreement by the Seller do not, and the consummation of the transactions contemplated hereby will not, (i) conflict with or violate the Certificate of Incorporation or By-Laws of the Seller; (ii) conflict with or violate any federal, state, local or foreign laws, rules, ordinances, regulations, licenses, judgments, orders or decrees (collectively "Laws") applicable to the Seller or the Assets or by which the Seller or any of its properties is bound or affected;

or (iii) result in any breach of or constitute a default (or an event that with notice or lapse of time or both would become a default) under, or give to any other persons any right of termination, amendment, acceleration or cancellation of, or result in the creation of a lien or encumbrance on any of the properties or assets of the Seller (including the Assets) pursuant to, any note, bond, mortgage, indenture, contract, agreement, lease, mortgage, license, permit, franchise or other instrument or obligation to which the Seller is a party or by which the Seller or any of its properties is bound or affected, the result of which conflict, breach or default would be material and adverse to the business, properties, condition (financial or otherwise) or results of operations of the Seller, or to any of the Assets, the Assumed Leases or the Assumed Liabilities (a "Material Adverse Effect") or any thereof.

() The execution, delivery and performance of this Agreement by the Seller and the consummation by it of the transactions contemplated hereby do not require the Seller or any of its affiliates to receive any consent, approval, authorization or permit from, or make any filing with or notification to, any governmental authority or court or any other person, except for the filing with the Securities and Exchange Commission (the "SEC") of a proxy statement in definitive form relating to the meeting of the Seller's stockholders to be held in

connection with the transactions contemplated hereby and the Charter Amendment (the "Proxy Statement").

/bullet/ PERMITS; COMPLIANCE. The Seller and its affiliates are in possession of all franchises, grants, authorizations, licenses, permits, easements, variances, exemptions, consents, certificates, approvals and orders necessary for it to own the Assets or to carry on its business pursuant to the Franchise Agreement as it is now being conducted (the "Seller Permits"), except for those Seller Permits the failure of which to obtain or maintain would not result in a Material Adverse Effect, and no suspension, revocation or cancellation of any such Seller Permits is pending, or to the knowledge of the Seller, threatened. All such Seller Permits are listed on Schedule 2.3 of the Seller's Disclosure Letter. The Seller and its affiliates have not operated such business in conflict with, or in default or violation of, (i) any Law applicable to it or by which it or any of its properties is bound or affected or (ii) any of the Seller Permits (except in either case for any such conflicts, defaults or violations which would not have a Material Adverse Effect), and the Seller has not received any notice to that effect. Anything in the foregoing representation and warranty to the contrary notwithstanding, no representation or warranty is made as to compliance by the Seller with laws relating to the extension of credit, the protection of consumers or the billing or reporting of transactions under The Transmedia Card, or the possession by the Seller of franchises, grants, authorizations, licenses, permits, easements, variances, exemptions, consents, certificates, approvals and orders that may be required with respect thereto.

/bullet/ TITLE TO ASSETS; ABSENCE OF LIENS AND ENCUMBRANCES;

DEFAULTS. The Seller has good, valid and marketable title to, and full right to sell, assign and convey, all of the Assets, and at the Closing will convey the Assets to the Purchaser, free and clear of any liens, charges and encumbrances of any kind whatsoever, including any rights of first refusal, set-off, reduction and counterclaim, but excluding (i) liens for taxes, fees, levies, imposts, duties or governmental charges of any kind which are not yet delinquent or are being contested in good faith by appropriate proceedings which suspend the collection thereof and which are not material in amount individually or in the aggregate; (ii) liens for mechanics, materialmen, laborers, employees, suppliers or others which are not yet delinquent or are being contested in good faith

by appropriate proceedings and which are not material in amount individually or in the aggregate; (iii) liens created in the ordinary course of business in connection with the leasing or financing of office, computer and related equipment and supplies; (iv) easements and similar encumbrances ordinarily created for fuller utilization and enjoyment of property; and (v) liens or defects in title or leasehold rights that either individually or in the aggregate do not and will not have a Material Adverse Effect. The Assumed Leases and the Assumed Liabilities are in full force and effect and are valid, binding and enforceable in accordance with their respective terms and there exists no material default on the part of the Seller in the performance of its covenants and obligations under any of the Assumed Leases or the Assumed Liabilities. No party to any Assumed Lease or any Assumed Liability has given written notice of or made a written claim with respect to, and the Seller is not otherwise aware of, any breach or default or any event which with notice or lapse of time or both would constitute a breach or default by any party under any of the Assumed Leases or the Assumed Liabilities. To the knowledge of the Seller, none of the properties covered by any Assumed Lease is subject to any sublease, license or other agreement granting to any person (other than the Seller) any right to use, occupy or enjoy such property or any portion thereof. Correct and complete copies of the Assumed Leases, together with any letters or agreements amendatory thereto, have heretofore been provided to the Purchaser by the Seller. Each item of personal property to be included among the Assets (with a book value of \$1,000 or more) is in good and useable condition, ordinary wear and tear excepted.

/bullet/ ABSENCE OF LITIGATION.

() There is no claim, action, suit, litigation, proceeding, arbitration or investigation of any kind involving the Seller (or any affiliate of the Seller) and any of the Assets, the Franchise, the Franchise Agreement or the business conducted by the Seller pursuant to the Franchise Agreement, at law or in equity (including actions or proceedings seeking injunctive relief), which are pending or, to the knowledge of the Seller, are threatened. There is no action pending, or to the knowledge of the Seller, threatened, seeking to enjoin or restrain or

otherwise make it imprudent to consummate any of the transactions contemplated by this Agreement.

() Neither the Seller nor any of its affiliates is subject to any continuing order of, consent decree, settlement agreement or other similar written agreement, or, to the knowledge of the Seller, continuing investigation by, any governmental authority, or any judgment, order, writ, injunction, decree or award of any governmental authority, or any arbitrator, including, without limitation, cease-and-desist or other orders, which relates to any of the Assets, the Franchise, the Franchise Agreement or the business conducted by the Seller and its affiliates pursuant to the Franchise Agreement.

/bullet/ CONTRACTS; NO DEFAULT; ETC..

() Schedule 2.6(a) of the Seller's Disclosure Letter sets forth a list of each agreement, contract, guarantee, instrument, security agreement or other document included among the Assets (collectively the "Seller Contracts") and any and all financing statements and filings made by or on behalf of the Seller to perfect any security interest or liens securing any Rights to Receive or loans or advances or any of the other Assets by the Seller (the "Financing Statements"). Correct and complete copies of all written Seller Contracts, together with all amendments, supplements and side letters thereto, have been delivered to the Purchaser or made available to the Purchaser for its review and the material terms of all oral Seller Contracts, if any, have been disclosed to the Purchaser.

() Each Seller Contract and any liens or security interests securing any Rights to Receive or loans or advances, are valid, subsisting and enforceable, save only that such enforceability may be affected by bankruptcy, insolvency, fraudulent conveyance, moratorium and similar laws affecting the rights of creditors generally and by general principles of equity (whether considered in a proceeding at law or in equity). There is no material default (or any event known to the Seller which, with the giving of notice or lapse of time or both, would be a material default) by the Seller or, to the knowledge of the Seller, any other party, in the timely performance of any obligation to be performed or paid under any Seller Contract, which default would reasonably be anticipated to have a Material Adverse Effect. The Seller has not received

any written notice of a filing or proposed filing under any bankruptcy, insolvency or other law for the relief of debtors by any restaurant or other establishment whose Rights to Receive or loans or advances are included among the Assets. The Seller has not agreed to modify, extend, impair, reduce, compromise or cancel any such Rights to Receive, loans or advances.

() No restaurant or other establishment from which the Seller or any of its affiliates has purchased any Rights to Receive or to

which the Seller or any of its affiliates has loaned or advanced moneys, has notified the Seller in writing that it has canceled, not renewed or otherwise terminated, or will cancel, not renew or otherwise terminate, its relationship with the Seller or its agreement to accept The Transmedia Card.

() The Reserve Amount, which is the reserve for unrealizable or uncollectible Rights to Receive recorded in the accounting records of the Seller, is fairly estimated and is calculated on a basis consistent with that used in the preparation of the audited financial statements of the Seller included in the Seller's Annual Report on Form 10-K for the fiscal year ended December 31, 1995.

/bullet/ INTELLECTUAL PROPERTY RIGHTS. Except for the rights granted to the Seller under the Franchise Agreement, neither the Seller nor any of its affiliates owns, licenses or uses any Intellectual Property. Schedule 2.7 of the Seller Disclosure Letter lists each assumed name and trade name under which the Seller has done business pursuant to the Franchise Agreement.

/bullet/ BROKERS. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Seller or any of its affiliates.

/bullet/ NO MATERIAL MISSTATEMENTS OR MISLEADING STATEMENTS. No representation or warranty by the Seller contained in or made pursuant to this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading.

ARTICLE
REPRESENTATIONS AND WARRANTIES
OF THE PURCHASER

The Purchaser hereby represents and warrants to the Seller that:

/bullet/ ORGANIZATION; POWER; ETC. The Purchaser is a corporation, duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation. The Purchaser has the requisite corporate power and authority to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement by the Purchaser and the consummation by it of the transactions contemplated hereby have been duly authorized by the Board of Directors of the Purchaser and no other corporate proceedings on the part of the Purchaser are necessary to authorize this Agreement or the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Purchaser and, assuming the due authorization, execution and delivery by the Seller, constitutes the legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms.

/bullet/ NO CONFLICT; REQUIRED FILINGS AND CONSENTS.

() The execution and delivery of this Agreement by the Purchaser does not, and the performance hereof by it will not, (i) conflict with or violate the Certificate of Incorporation or By-Laws of the Purchaser, (ii) conflict with or violate any Laws applicable to the Purchaser or by which it or any of its properties is bound or affected, or (iii) result in any breach of or constitute a default (or an event that with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, or result in the creation of a lien or encumbrance on any of the properties or assets of the Purchaser pursuant to any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which the Purchaser is a party or by which the Purchaser or any of its properties is bound or affected, the result of which conflict,

breach or default would be material or adverse to the business, properties, condition (financial or otherwise) or results of operations of the Purchaser.

() The execution, delivery and performance of this Agreement by the Purchaser and the consummation by it of the transactions contemplated hereby do not require the Purchaser to receive any consent, approval, authorization or permit from, or make filing with or notification to, any governmental authority or any other person.

/bullet/ ABSENCE OF LITIGATION.

() There is no action pending, or to the knowledge of the Purchaser, threatened, seeking to enjoin or restrain or otherwise make it imprudent to consummate any of the transactions contemplated by this Agreement.

() Neither the Purchaser nor any of its affiliates is subject to any continuing order of, consent decree, settlement agreement or other similar written agreement, or, to the knowledge of the Purchaser, continuing investigation by, any governmental authority, or any judgment, order, writ, injunction, decree or award of any governmental authority, or any arbitrator, including, without limitation, cease-and-desist or other orders, which relates to the acquisition of the Assets by the Purchaser.

/bullet/ BROKERS. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Purchaser or any of its affiliates.

/bullet/ NO MATERIAL MISSTATEMENTS OR MISLEADING STATEMENTS. No representation or warranty by the Purchaser contained in or made pursuant to this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading.

ARTICLE

AGREEMENTS OF THE PARTIES

/bullet/ ORDINARY COURSE OF BUSINESS. Prior to the Closing Date, and except as otherwise expressly contemplated by this Agreement, or approved in writing by the Purchaser, the Seller covenants and agrees that:

() The Seller and its affiliates will carry on their business pursuant to the Franchise Agreement in the ordinary course substantially in the manner carried on as of the date hereof, and will not engage in any activity or transaction or enter into any agreement or commitment other than in the ordinary course of its business as heretofore conducted; provided, however, that the Purchaser acknowledges that with its acquiescence, the Seller has ceased the activities required of it in order to expand its operations into Washington, Oregon and Nevada;

() The Seller and its affiliates will use their reasonable best efforts to preserve their business organization intact, to keep available the services of their employees and to preserve for the Purchaser the Seller's relationships with restaurants and other establishments that accept The Transmedia Card, with holders of The Transmedia Card and with others having business relationships with the Seller and its affiliates; provided, however, that the Seller (i) makes no representation that any of its employees will become an employee of the Purchaser; and (ii) shall not be obligated to make any material capital or out of the normal course expenditures prior to the Closing to comply with this covenant;

() The Seller shall not, without the consent of the Purchaser, acquire any Rights to Receive from any one counterparty or group of affiliated counterparties in excess of \$10,000;

() Neither the Seller nor any of its affiliates will modify, impair, reduce, compromise or cancel any material Asset or any material amount of the Assets or, without the Purchaser's prior written consent, amend, modify, terminate or extend any of the Assumed Leases or the Assumed Liabilities;

() Without limiting the foregoing, the Seller will consult with the Purchaser regarding all material developments, transactions and proposals relating to the business of the Seller and its affiliates conducted pursuant to the Franchise Agreement and the Assets;

() Neither the Seller nor any of its affiliates will sell, assign, transfer, or otherwise dispose of any material Asset or material amount of the Assets, or subject any material Asset or material amount of the Assets to any liens, pledges, restrictions, encumbrances or claims;

() The Seller will maintain all the tangible Assets

in their current condition, ordinary wear and tear excepted, and make all ordinary and necessary repairs to the Assets; and

() The Seller will not take, or agree to commit to take, or permit any of its affiliates to take, any action that would make any representation or warranty of the Seller contained herein inaccurate in any material respect.

/bullet/ PURCHASER'S ACTIONS. The Purchaser will not take, or agree to commit to take, or permit any of its affiliates to take, any action that would make any representation or warranty of the Purchaser contained herein inaccurate in any respect.

ARTICLE

ADDITIONAL AGREEMENTS

/bullet/ PREPARATION OF THE PROXY STATEMENT. The Seller shall promptly prepare and submit to the SEC the Proxy Statement in preliminary form, a copy of which will be furnished to counsel to the Purchaser, and promptly respond to any SEC comments received in respect of such Proxy Statement.

/bullet/ CHANGE OF SELLER'S NAME. Subject to the approval of its stockholders, the Seller shall promptly prepare and file a Certificate of Amendment of its Certificate of Incorporation (the "Charter Amendment") for the purpose of changing its corporate name to a

name not containing the word "Transmedia" or any derivative of "Transmedia," or any other trademark, service mark, trade name or slogan of the Purchaser.

/bullet/ MEETING. The Seller shall call a meeting of its stockholders to be held as promptly as practicable consistent with the requirements of the Securities Laws and the Delaware General Corporation Law for the purpose of voting upon the transactions contemplated in this Agreement and the Charter Amendment. The Seller will, through its Board of Directors, subject to their fiduciary duties to the stockholders of the Seller under applicable law, recommend to the stockholders of the Seller approval of such transactions and the Charter Amendment.

/bullet/ LEGAL CONDITIONS TO TRANSACTION. Each of the parties will take all reasonable actions necessary to comply promptly with all legal requirements which may be imposed on it with respect to the transactions contemplated hereby and in connection with required approvals of or filings with any other governmental authorities and will promptly cooperate with and furnish information to each other in connection with any such requirements imposed upon any of them or any of their respective affiliates. The Seller will take all reasonable actions necessary to obtain (and the Purchaser will cooperate with the Seller in obtaining) any consent, authorization, order or approval of, or

any exemption by, any governmental authority or other public or private third party required to be obtained or made by the Seller in connection with the transactions contemplated by this Agreement. By the Closing Date, the Seller shall use its best efforts to obtain and deliver to the Purchaser: (i) all necessary consents to the assignment to the Purchaser of the Assets and the assumption of the Assumed Leases, and any other agreements, contracts and arrangements to be assumed by the Purchaser or its designees, and (ii) any other consents that the Purchaser may reasonably require. All such consents shall be in form and substance reasonably satisfactory to the Purchaser and its counsel.

/bullet/ TAXES. The Seller shall pay all sales and other transfer taxes arising as a result of the transfer of the Assets pursuant to this Agreement. The Purchaser shall pay the costs of amending the Financing Statements and assigning the security interests evidenced thereby up to the first \$5,000, and the Purchaser and the Seller shall share such costs to the extent they exceed the first \$5,000.

/bullet/ CONFIDENTIALITY.

(a) The Seller and its affiliates will hold and keep confidential and will not disclose or use (i) any information provided to them or any of their representatives by or on behalf of the Purchaser or any of its affiliates in connection with the transactions contemplated hereby; and (ii) after the Closing, any confidential or proprietary information regarding any of the Assets, the Franchise, the Franchise Agreement, the business conducted pursuant to the Franchise Agreement or the Assumed Liabilities or the Assumed Leases or any confidential or proprietary information relating to the business of the Purchaser; PROVIDED, that this Section 5.6 shall not apply to (1) information which is publicly available at the time of disclosure (through no act of the Seller or any of its affiliates); or (2) disclosures which are required to be made by the Seller or any of its affiliates under legal process or by applicable laws or regulations, or which are requested by the Purchaser or any of its affiliates.

(b) The Seller agrees that damages may be an inadequate remedy for any breach of the terms or provisions of this Section 5.6 and that the Purchaser shall, whether or not it is pursuing any potential remedies at law, be entitled to equitable relief in the form of preliminary and permanent injunctions, without having to post any bond or other security, upon any breach or threatened breach of any of such term or provision.

(c) The parties agree that nothing in this Agreement shall be construed to limit or negate the common law of torts or trade secrets where it provides the Purchaser or any of its affiliates with any broader, further or other remedy or protection than that provided herein.

/bullet/ ACCESS TO INFORMATION. Upon reasonable notice provided that there is no unreasonable interference with the business of the Seller, the Seller shall (and shall cause its affiliates to) afford to the officers, employees, accountants, counsel and other representatives of the

Purchaser, access, during normal business hours during the period prior to the Closing Date, to all of its properties, books, contracts, commitments and records relating to the Assets and

the Assumed Liabilities and, during such period, the Seller shall (and shall cause its affiliates to) furnish promptly to the Purchaser (a) a copy of each report, schedule, registration statement and other document filed or received by it during such period pursuant to the requirements of federal securities laws and (b) all other information concerning its business, the Assets and the Assumed Liabilities as the Purchaser may reasonably request. Unless otherwise required by law, the Purchaser will hold any such information which is nonpublic in confidence until such time as such information otherwise becomes publicly available through no wrongful act of either party, and in the event of termination of this Agreement for any reason the Purchaser shall promptly return all nonpublic documents obtained from the Seller or its affiliates, and any copies made of such documents, to the Seller.

ARTICLE

CONDITIONS TO CLOSING

/bullet/ CONDITIONS TO THE OBLIGATIONS OF THE PURCHASER. The obligations of the Purchaser to consummate the transactions contemplated hereby is subject to the fulfillment at or prior to the Closing of the following conditions, any or all of which may be waived in whole or in part by the Purchaser to the extent permitted by applicable law:

() REPRESENTATIONS AND WARRANTIES; COVENANTS. The representations and warranties of the Seller set forth in this Agreement or in any certificate or document delivered pursuant hereto shall be true and correct in all material respects when made and on and as of the Closing Date, as if made on such date, and the Seller shall have duly performed and complied in all material respects with all of its agreements, covenants, conditions and obligations contained in this Agreement. The Purchaser shall have received a certificate dated the Closing Date signed by the Chief Executive Officer or the Chief Financial Officer of the Seller to the effect that the conditions of this paragraph have been satisfied. (The parties recognize and agree that the Seller makes no representation, warranty or agreement as to its results of operations and, accordingly, the incurrence of operating losses by the Seller prior to the Closing

shall not, in and of itself, constitute the breach of any representation, warrant or covenant herein or the failure of any condition herein).

() STOCKHOLDER APPROVAL. The Stockholder Approval shall have been obtained.

() OTHER CONSENTS AND FILINGS. All material approvals and consents of or filings with governmental authorities, and all material

approvals and consents of any other persons, required to permit the consummation of all of the transactions contemplated hereby shall have been obtained or made to the reasonable satisfaction of the Purchaser.

() DOCUMENTS OF TRANSFER. All bills of sale, instruments of transfer and assignment and other statements, instruments and documents contemplated by Article I hereof shall have been duly executed and delivered by the Seller, and the Seller shall have furnished the Purchaser with copies of all such items, and such other certificates and documents as the Purchaser and its counsel may reasonably request, in sufficient time prior to the Closing Date to permit review and evaluation thereof and the making of preliminary arrangements for any necessary recording and filing thereof on the Closing Date.

() FRANCHISE AGREEMENT. An instrument (the "Franchise Termination") in the form of Exhibit F hereto terminating the Franchise Agreement, the Franchise and any associated rights and licenses and providing for a mutual release between the parties shall have been duly executed and delivered by the Seller.

() OPINION OF COUNSEL. Olshan Grundman Frome & Rosenzweig LLP, counsel to the Seller, shall have delivered a legal opinion to the Purchaser, in the form of Exhibit G hereto, to the effect that the provisions of section 9(c) of the Warrant Agreement, dated as of June 25, 1993, between the Seller and the American Stock Transfer & Trust Company, as amended (the "Warrant Agreement") are not applicable to the transactions contemplated by this Agreement and no holder of any warrants issued thereunder has any rights to require the

Purchaser to assume any obligations of the Seller thereunder or to receive any securities or property from the Purchaser.

() ABSENCE OF LITIGATION. No action shall be pending seeking to enjoin or restrain or otherwise make it imprudent to consummate any of the transactions contemplated by this Agreement.

/bullet/ CONDITIONS TO THE OBLIGATIONS OF THE SELLER. The obligations of the Seller to consummate the transactions contemplated hereby is subject to the fulfillment at or prior to the Closing of the following conditions, any or all of which may be waived in whole or in part by the Seller to the extent permitted by applicable law:

() REPRESENTATIONS AND WARRANTIES; COVENANTS; The representations and warranties of the Purchaser set forth in this Agreement or in any certificate or document delivered pursuant hereto shall be true and correct in all material respects when made and on and as of the Closing Date, as if made on such date, and the Purchaser shall have duly performed and complied in all material respects with all of its agreements, covenants, conditions and

obligations contained in this Agreement. The Seller shall have received a certificate dated the Closing Date signed by the Chief Executive Officer or the Chief Financial Officer of the Purchaser to the effect that the conditions of this paragraph have been satisfied.

() STOCKHOLDER APPROVAL. The Stockholder Approval shall have been obtained.

() OTHER CONSENTS AND FILINGS. All material approvals and consents of or filings with governmental authorities, and all material approvals and consents of any other persons, required to permit the consummation of all of the transactions contemplated hereby shall have been obtained or made to the reasonable satisfaction of the Seller.

() DOCUMENTS OF ASSUMPTION. The assumption agreement contemplated by Article I hereof shall have been duly executed and delivered by the Purchaser, and the Purchaser shall have furnished the Seller with a copy of such agreement in sufficient time prior to the Closing Date to permit review and evaluation thereof by the Seller and its counsel.

() FRANCHISE AGREEMENT. The Franchise Termination shall have been duly executed and delivered by the Purchaser.

() OTHER CONSIDERATION. At the Closing, the Purchaser shall have delivered to the Seller (i) a certified check or wire transfer of immediately available funds for an amount equal to the sum of the amounts listed in paragraphs (i), through (v) of Section 1.2(a).

() ABSENCE OF LITIGATION. No action shall be pending seeking to enjoin or restrain or otherwise make it imprudent to consummate any of the transactions contemplated by this Agreement.

ARTICLE

TERMINATION

/bullet/ TERMINATION. This Agreement may be terminated at any time prior to the Closing Date, before or after the approval by the stockholders of the Seller:

() by the mutual consent of the Seller and the Purchaser, by action of their respective Boards of Directors;

() by either the Purchaser or the Seller if there has been a material breach of any representation, warranty, covenant or agreement on the part of the other set forth in this Agreement which breach has not been cured within five business days following receipt by the breaching party of notice of such breach, or if any permanent injunction or other order of a court

or other competent authority preventing the consummation of the transactions contemplated hereby shall have become final and non-appealable;

() by either the Purchaser or the Seller if the transactions contemplated hereby shall not have been consummated before January 31, 1997, provided that the party seeking to terminate this Agreement are not otherwise in breach in any material respect of any of its obligations hereunder; or

() by either the Purchaser or the Seller if the Stockholder Approval shall not have been obtained by reason of the failure to obtain the required affirmative vote at a duly held meeting of its stockholders or at any adjournment thereof.

/bullet/ EFFECT OF TERMINATION. In the event of termination of this Agreement by either the Purchaser or the Seller as provided in Section 7.1, this Agreement shall forthwith become void and there shall be no liability or obligation on the part of the Purchaser or the Seller, or their respective officers or directors, except (y) with respect to Sections 5.5, Article VIII (with respect to any claim for breach of the representation in Sections 2.8 or 3.4) and 9.1 and (z) to the extent that such termination results from the breach by a party hereto of any of its representations, warranties, covenants or agreements set forth in this Agreement.

ARTICLE
SURVIVAL OF REPRESENTATIONS AND
WARRANTIES; INDEMNIFICATION

/bullet/ SURVIVAL OF REPRESENTATIONS AND WARRANTIES. All representations and warranties contained in this Agreement, any schedule and any certificate, written statement, or other document delivered at the Closing pursuant to this Agreement by or on behalf of the Seller or the Purchaser shall be deemed to have been relied upon notwithstanding any investigation heretofore or hereafter made or omitted by any party hereto and shall survive for a period of six (6) months after the Closing Date, except for all such representations and warranties relating to (i) the Rights to Receive specified on Schedule 1.3(e) which shall survive for a period of one year after the Closing Date and (ii) the Rights to Receive other than those specified on Schedule 1.3(e) which shall not survive the Closing Date.

/bullet/ SELLER'S INDEMNIFICATION OBLIGATIONS. Subject to the terms and conditions of this Article 8, the Seller agrees to defend, indemnify and hold the Purchaser and the officers, directors, agents, attorneys, employees, representatives and other affiliates of the Purchaser harmless against any and all liabilities, losses, costs and expenses including, without limitation, legal and other expenses (collectively "Damages"), resulting from or relating to:

() any misrepresentation or breach of any representation or warranty of the Seller contained in this Agreement or in any

Schedule of the Seller Disclosure Letter or any certificate, written statement or other document delivered by or on behalf of the Seller pursuant to this Agreement;

() any breach of any covenant, agreement or obligation of the Seller contained in this Agreement;

() any debt, liability or obligation of the Seller or any of its affiliates other than the Assumed Liabilities;

() the conduct of the business of the Seller and its affiliates, and the ownership, use and operation of the Assets, on or prior to the Closing Date;

() any failure of the Seller to comply with the provisions of the Uniform Commercial Code pertaining to bulk sales; and

(f) any obligation, liability or expense imposed upon or affecting the Purchaser under the Warrant Agreement; and any and all actions, suits, demands, assessments or judgments with respect to any claim arising out of or relating to the subject matter of the indemnification; PROVIDED, HOWEVER, that the sole remedy of the Purchaser for any breach of any representation or warranty as to the validity or enforceability of (i) any Right to Receive specified on Schedule 1.3(e) shall be limited to the remedy set forth in Section 1.3(e) of this Agreement and (ii) any Right to Receive other than those specified on Schedule 1.2(ii) or Schedule 1.3(e) shall be limited to the remedy set forth in Section 1.3(d) of this Agreement.

/bullet/ PURCHASER'S INDEMNIFICATION OBLIGATIONS. Subject to the terms and conditions of this Article 8, the Purchaser agrees to defend, indemnify and hold the Seller and the officers, directors, agents, attorneys, employees, representatives and other affiliates of the Seller harmless against any and all Damages resulting from or relating to:

() any misrepresentation or breach of any representation or warranty of the Purchaser contained in this Agreement or in any certificate, written statement or other document delivered by or on behalf of the Purchaser pursuant to this Agreement;

() any breach of any covenant, agreement or obligation of the Purchaser contained in this Agreement; and

() any Assumed Liabilities; and any and all actions, suits, demands, assessments or judgments with respect to any claim arising out of or relating to the subject matter of the indemnification.

/bullet/ CLAIMS FOR INDEMNIFICATION; DEFENSE OF INDEMNIFIED CLAIMS; LIMITATIONS ON INDEMNIFICATION.

() For purposes of this Section, the party entitled to indemnification shall be known as the Indemnified Party and the party required to indemnify shall be known as the Indemnifying Party. In the event that the Indemnifying Party shall be obligated to the Indemnified Party pursuant to this Article VIII or in the event that a suit, action, investigation, claim or proceeding is begun, made or instituted as a result of which the Indemnifying Party may become obligated to the Indemnified Party hereunder, the Indemnified Party shall give prompt written notice to the Indemnifying Party of the occurrence of such event; provided, however, that the failure to give such notice shall not constitute a waiver of the right to indemnification hereunder unless the Indemnifying Party is prejudiced in a material respect thereby. The Indemnifying Party agrees to defend, contest or otherwise protect against any such suit, action, investigation, claim or proceeding at the Indemnifying Party's own cost and expense with counsel of its own choice, who shall be, however, reasonably acceptable to the Indemnified Party. The Indemnifying Party may make any compromise or settlement (subject to the written consent of the Indemnified Party, which will not be unreasonably withheld). The Indemnified Party shall have the right but not the obligation to participate at its own expense in the defense thereof by counsel of its own choice. In the event that the Indemnifying Party fails timely to defend, contest or otherwise protect itself against any such suit, action, investigation, claim or proceeding, the Indemnified Party shall have the right to defend, contest or otherwise protect the

Indemnified Party against the same and may make any compromise or settlement thereof and recover the entire cost thereof from the Indemnifying Party including without limitation, reasonable attorneys' fees, disbursements and all amounts paid as a result of such suit, action, investigation, claim or proceeding or compromise or settlement thereof.

() For purposes of this Article VIII, all Damages shall be computed net of any insurance coverage (from the amount of which coverage there shall be deducted all costs and expenses, including attorneys' fees, of the Indemnified Party not reimbursed by such coverage) and tax benefits with respect thereto which reduces the Damages that would otherwise be sustained; PROVIDED, HOWEVER, that in all cases, the timing of the receipt or realization of insurance proceeds or tax benefits shall be taken into account in determining the amount of reduction of Damages.

/bullet/ PAYMENTS; NON-EXCLUSIVITY. Any amounts due an Indemnified Party under the aforesaid indemnities shall be due and payable by the Indemnifying Party within fifteen (15) days after written demand therefor. The remedies conferred in this Article VIII are intended to be without prejudice to any other rights or remedies available at law or equity to the Indemnified Parties, now or hereafter.

/bullet/ SET-OFF. If from time to time and at any time the

Purchaser shall be entitled to be paid any amount under the provisions of this Agreement, including this Article VIII, the Purchaser shall be entitled, if it so elects, to set-off such amount against any other amounts due to the Seller from the Purchaser or any of its affiliates. Such right of set-off shall be in addition to and not in substitution of any other rights the Purchaser shall be entitled to under the provisions of this Article VIII or otherwise.

ARTICLE

MISCELLANEOUS; GENERAL

/bullet/ FEES AND EXPENSES. Whether or not the transactions contemplated hereby shall be consummated, each party hereto shall pay its own expenses incident to preparing for, entering into or carrying out this Agreement and the consummation of the transactions contemplated hereby.

/bullet/ MODIFICATION OR AMENDMENT. Subject to the applicable provisions of the Delaware General Corporation Law, at any time prior to the Closing Date (whether before or after receipt of the Stockholder Approval), this Agreement may be supplemented, modified or amended, or the provisions hereof may be waived, by the mutual agreement of the Purchaser and the Seller, by action of their respective Boards of Directors followed by written agreement executed and delivered by duly authorized officers of the respective parties; provided, however, that no such supplement, modification, amendment or waiver which materially and adversely affects the rights of the stockholders of the Seller, shall be made without Stockholder Approval.

/bullet/ WAIVER OF CONDITIONS. The conditions to each party's obligations to consummate the transactions contemplated hereby are for the sole benefit of such party and may be waived by such party (in the manner provided for herein) in whole or in part to the extent permitted by applicable law.

/bullet/ COUNTERPARTS. For the convenience of the parties hereto, this Agreement may be executed in any number of counterparts, each such counterpart being deemed to be an original instrument, and all such counterparts shall together constitute the same agreement.

/bullet/ GOVERNING LAW; FORUM; CONSENT TO JURISDICTION. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without giving effect to the principles of conflict of laws thereof. Each of the parties to this Agreement hereby irrevocably and unconditionally (i) consents to submit to the exclusive jurisdiction of the federal or state courts located in the State of New York for any proceeding arising in connection with this Agreement (and each such party agrees not to commence any such proceeding, except in such courts), (ii) waives any objection to the laying of venue of any such proceeding in the courts of the State of New York, and (iii) waives, and agrees not to plead or to make, any claim that any such proceeding brought in any federal or state court in the State of New York

has been brought

in an improper or otherwise inconvenient forum. Process in any such action may be served by service upon the Secretary or State (or other appropriate public official) of the jurisdiction of incorporation of the party to whom it is directed.

/bullet/ NOTICES. Any notice, request, instruction or other document to be given hereunder by any party to the other shall be in writing and shall be deemed to have been duly given on the day when the same is sent, if delivered personally or sent by telecopy or overnight delivery, or five calendar days after the same is sent, if sent by registered or certified mail, return receipt requested, postage prepaid, as set forth below, or to such other persons or addresses as may be designated in writing in accordance with the terms hereof by the party to receive such notice.

If to Seller:

The Western Transmedia Company, Inc.
475 Sansome Street
San Francisco, CA 94111
Facsimile No.: (415) 397-4443
Attn.: Chief Executive Officer

With a copy to:

Olshan Grundman Frome & Rosenzweig LLP
505 Park Avenue
New York, NY 10022
Facsimile No.: (212) 755-1467
Attn.: David J. Adler, Esq.

If to Purchaser:

Transmedia Network Inc.
11900 Biscayne Boulevard
North Miami, Florida 33181
Facsimile No.: (305) 892-3342
Attn.: Chief Executive Officer

With a copy to:

Morgan, Lewis & Bockius LLP
101 Park Avenue
New York, New York 10178
Facsimile No.: (212) 309-6273
Attn.: Stephen P. Farrell, Esq.

/bullet/ DISCLOSURE LETTER AND EXHIBITS; ENTIRE AGREEMENT. The Seller Disclosure Letter and all exhibits and schedules and attachments to exhibits or schedules, or documents expressly incorporated into this Agreement, and any other attachments to this Agreement are hereby incorporated into this Agreement and are hereby made a part hereof as if set out in full in this Agreement. This Agreement supersedes all other prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof and constitutes the entire agreement among the parties hereto with respect to the subject matter hereof.

/bullet/ ASSIGNMENT. Except as provided in the following sentence, this Agreement and the rights and obligations of the parties hereto shall not be assignable, by operation of law or otherwise, or delegable. The Purchaser may assign any or all of its rights and interests and delegate any or all of its obligations under this Agreement to any one or more affiliates of Purchaser, but in such event the Purchaser shall remain, and the assignee shall be, fully liable for the performance of all such obligations in the manner prescribed in this Agreement. Subject to the two preceding sentences, this Agreement will be binding upon, inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns.

/bullet/ DEFINITION OF "AFFILIATE". When a reference is made in this Agreement to an affiliate of a party, the word "affiliate" means any corporation or other organization, whether incorporated or unincorporated, (x) of which such party or any other affiliate of such party is a general partner or limited partner or (y) beneficially owns at least a majority of the securities or interests having by the terms thereof ordinary voting power to elect a majority of the board of directors or others performing similar functions with respect to such corporation or other organization, or (z) beneficially owns a majority of the securities or other interests representing

the total equity in such organization, is directly or indirectly owned or controlled by such party or by any one or more of its affiliates, or by such party and one or more of its affiliates.

/bullet/ TITLES AND CAPTIONS. The titles, captions and table of contents contained in this Agreement are inserted herein only as a matter of convenience and for reference and in no way affect, limit, extend or describe the scope of this Agreement or the intent of any provision hereof.

/bullet/ SEVERABILITY. Any provision hereof which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, the parties hereby waive any provision of law which may

render any provision hereof prohibited or unenforceable in any respect.

/bullet/ PUBLICITY. During the period through the Closing Date, the Purchaser, the Seller and their respective affiliates shall consult before making any public announcements or public comments regarding this Agreement or the sale contemplated hereby, except as required by applicable law, regulation or rule.

/bullet/ NO THIRD PARTY BENEFICIARIES. This Agreement has been made for the sole benefit of the Purchaser and the Seller and shall not be construed to confer any benefit or rights upon, nor may it be enforced by, any other person, including any officer, director, employee, stockholder or creditor of the Purchaser or the Seller.

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officers of the parties hereto as of the date first hereinabove written.

THE WESTERN TRANSMEDIA
COMPANY, INC.

By:/S/STUART M. PELLMAN

Name:Stuart M. Pellman
Title: President

TRANSMEDIA NETWORK INC.

By:/S/ MELVIN CHASEN

Melvin Chasen
Chairman and President

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