SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)
[X] Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended December 31, 2000

OR

[_] Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File No. 333-74797

DOMINO'S, INC.
(Exact name of registrant as specified in its charter)

DELAWARE	38-3025165
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification number)

30 Frank Lloyd Wright Drive
Ann Arbor, Michigan 48106
(Address of principal executive offices)

(734) 930-3030
(Registrants telephone number, including area code)

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

Indicate by check mark whether the registrant (1) 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 (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days:

Yes [X]   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: [_]

The aggregate market value of the voting stock held by non-affiliates is zero.

As of March 15, 2001, there were 10 shares of the registrant's common stock outstanding.

Part I

Item 1. Business.

Domino's, Inc. (referred to as "the Company", "Domino's", or in the first person notations of "we", "us" and "our"), was incorporated under the laws of the State of Delaware in 1991. We operate and franchise pizza delivery and carry-out restaurants under the Domino's Pizza(R) trademark. We operate through a worldwide network of nearly 7,000 franchise and Company-owned stores located throughout the United States and 64 international markets and regional distribution centers located in the United States. We generated system-wide sales of approximately $3.5 billion for the fiscal year ended December 31, 2000. System-wide sales by our domestic franchise and Company-owned stores accounted for approximately 26% of the United States pizza delivery market in 2000. Domino's is the leading pizza delivery company in the world.

We offer a focused menu of high quality, value priced pizza with three types of crust (Hand-Tossed, Thin Crust and Deep Dish), along with buffalo wings, cheesy bread, cinnamon sticks and bread sticks. Our hand-tossed pizza is made from fresh dough produced in our regional distribution centers. We prepare every pizza using real cheese, pizza sauce made from fresh tomatoes and a choice of high quality meat and vegetable toppings in generous portions. Our focused menu and use of premium ingredients enable us to consistently and efficiently produce high quality pizza.

Over the 40 years since our founding, we have developed a simple, cost-efficient model. We offer a limited menu, our stores are designed for delivery and carry-out and we do not generally offer dine-in service. As a result, our stores require relatively small, lower rent locations and limited capital expenditures. Outside the United States, we generally follow the same operating model with some adaptations to local eating habits and consumer preferences. Our simple operating model helps to maintain consistent food quality and minimizes store expenses and capital commitments.

Domino's operates three business segments:

- Domestic Stores, consisting of:

    Corporate operations, which operates our domestic network of 626 Company-owned stores;

    Franchise operations, which oversees our domestic network of 4,192 franchise stores; and

- Distribution, which operates our 18 regional distribution centers and one equipment and supply distribution center that distribute food, equipment and supplies to our domestic stores and equipment to our international stores; and

- International, which oversees our network of 2,157 franchise stores in 64 international markets, including Alaska, Hawaii, Puerto Rico, the United States Virgin Islands and Guam, and operates two Company-owned stores in France; International also distributes food to stores from distribution centers in Alaska, Hawaii, Canada and France.

Industry Overview

The United States pizza market had sales of approximately $24.7 billion in 2000. This market has three segments: dine-in, carry-out and delivery. We focus on the delivery segment, which accounted for approximately $7.6 billion or approximately 31% of the total United States pizza market in 2000. Pizza delivery has been the fastest growing segment of this market, growing at a compound annual rate of 9.3% between 1997 and 2000, as compared to 5.1% for the dine-in segment and 4.9% for the carry-out segment over the same period.

Domestic pizza delivery sales have also shown long-term, stable growth. From 1993 through 2000, pizza delivery sales in the United States grew at a compound annual rate of 7.8%. Even in the recessionary period during 1990 and 1991, pizza delivery sales in the United States grew at a compound annual rate of 2.5%.

We believe that the growth and stability of the pizza delivery market will persist as a result of several continuing demographic factors. In particular, we believe that longer work schedules and the increasing prevalence of dual career families have led to rapid growth in the demand for delivered food. We believe that delivered pizza is well positioned to capitalize on these trends as other food products have difficulty matching the combination of value, consistency, convenience and timely delivery of pizza.

Competitive Strengths

Leading Market Position. With system-wide sales accounting for approximately 26% of the United States pizza delivery market in 2000, Domino's is the leading pizza delivery company in the United States. Outside the United States, we generally are the market share leaders or are a strong number two in the key markets where we compete. Our leadership positions in these key markets and our strong global presence provide significant cost and marketing advantages relative to our delivery competitors.

Strong Brand Equity. Our brand name is widely recognized by consumers in the United States as the leader in pizza delivery. Over the past five years, Domino's and its franchisees have invested an estimated $1.1 billion on national, market level and local advertising in the United States. We continue to reinforce the strength of our brand name recognition with extensive advertising through national, market level and local television, print and direct mail campaigns. Domino's Pizza is one of Ad Age's "100 Megabrands," a list which includes other prominent brands such as Coke(R), Campbell's(R), Kodak(R) and Wrigley(R).

Focused and Cost-efficient Operating System. We have focused on pizza delivery since our founding in 1960. Over this time, we have developed a simple, cost-efficient operating system for producing a streamlined menu offering and delivery system. Our limited menu, efficient food production processes supported by our distribution system and extensive employee training programs allow us to produce our pizza in approximately ten minutes. The simplicity and efficiency of our store operations gives us significant advantages over competitors that also participate significantly in the carry-out or dine-in segments of the pizza market and, as a result, have more complex operations. Consequently, we believe these competitors have a difficult time matching Domino's value, quality and consistency in the delivery segment.

Minimal Capital Requirements. We have minimal capital expenditure and working capital requirements. Our capital expenditures are low because we focus on delivery and because our franchisees fund all capital expenditures for their stores. Since our stores do not generally offer dine-in service, they do not require expensive restaurant facilities, are relatively small (1,000-1,300 square feet) and are inexpensive to build and furnish as compared to other quick service restaurant ("QSR") establishments. A new Domino's store typically requires $125,000 to $250,000 in initial capital, far less than the typical establishments of many of our major competitors. Because approximately 87% of our domestic stores are franchised, our share of system-wide capital expenditures is small. In addition, Domino's requires minimal working capital as we collect more than 97% of our royalties from domestic franchisees within three weeks of when the royalty is generated, collect approximately 95% of Distribution receivables within 15 days of the related sale and generally achieve approximately 40-50 inventory turns per year in our regional distribution centers. We believe these minimal working capital requirements are advantageous for funding our continued growth.

Strong Franchise Relationships. We believe that our strong relationships with franchisees are a critical component of our success. We support our franchisees by providing brand/sales building programs, employee training, financial incentives and infrastructure support. We employ an owner-operator model that results in our franchisees owning an average of three stores, considerably fewer than most franchise models. We also believe that our franchise owners enjoy some of the most attractive economics within the QSR industry. Our strong cooperation with our franchisees is demonstrated by an over 97% voluntary participation rate in our domestic distribution system and strong franchisee participation in cooperative advertising programs. We generally experience a franchise contract renewal rate of over 99% and 140 new franchisees entered our system in 2000. We believe our franchise system will continue to be a growing component of our business.

Efficient National Distribution System. We operate a nationwide network of 18 regional distribution centers. Each distribution center is generally located within a 300-mile radius of the domestic stores it serves. We take advantage of volume purchasing of food and supplies, to provide consistency, efficiencies of scale and low cost distribution. Our distribution system has an on-time accuracy rate of approximately 99% and allows our store managers to focus on store operations and customer service.

Business Strategy

Our business strategy has been to grow revenues and profitability by focusing on our delivery expertise: prompt delivery of high quality food products, operational excellence and brand recognition through strong promotional advertising. This strategy has resulted in our leading pizza delivery market position and strong track record of profitable growth. We intend to achieve further growth and strengthen our competitive position through the continued implementation of this strategy and the following initiatives:

Focus on Core Competencies. We believe four core competencies are crucial to our future growth: Build the Brand, Maintain High Standards, Flawless Execution and PeopleFirst. We have streamlined our organization and structured our operations, marketing and support services to achieve these objectives.

Capitalize on Strong Industry Dynamics. We believe that the pizza delivery market will continue to show strong growth and stability as a result of several positive demographic trends. These long-term trends include more dual career families, longer work weeks and increased consumer emphasis on convenience. In addition, we believe that the low cost and high value of delivered pizza will support continued industry growth even during an economic slowdown. Domino's is well positioned to take advantage of these dynamics, given our market leadership position, strong brand name and cost-efficient operating model.

Leverage Market Leadership Position and High Brand Awareness. Domino's is the leading pizza delivery company in the United States. System-wide sales by our Company-owned and domestic franchise stores accounted for approximately 26% of the United States pizza delivery market in 2000. Our market leadership position and strong brand give us significant marketing strength relative to many of our competitors. We believe strong brand recognition is important in the pizza delivery industry because consumer decisions are strongly influenced by brand awareness. We intend to continue investments that promote our brand name and enhance our recognition as the leader in pizza delivery.

Expand Store Base. We plan to continue expanding our base of traditional domestic stores, enter new domestic markets with non-traditional venues (e.g. convenience stores, stadiums, etc.) and increase our network of international stores.

At the end of fiscal 2000, we had 160 non-traditional stores in operation compared to 99 stores in operation at the end of fiscal 1999. Many of these stores provide both delivery and carry-out services from convenience stores in lightly populated markets. We intend to continue aggressively opening these non-traditional stores.

Company History

Thomas S. Monaghan founded the Company in 1960. Prior to December 1998, Domino's was a wholly-owned subsidiary of Domino's Pizza LLC ("Domino's Pizza") (formerly Domino's Pizza, Inc.). During December 1998, prior to the recapitalization described below, Domino's Pizza distributed its ownership interest in Domino's to TISM, Inc. ("TISM"), the current parent corporation of Domino's. TISM then contributed its ownership interest in Domino's Pizza, which had been a wholly-owned subsidiary of TISM, to Domino's, effectively converting Domino's from a subsidiary of Domino's Pizza to the parent of Domino's Pizza.

On December 21, 1998, investors, including funds associated with Bain Capital, Inc. ("Bain Capital"), management and others (collectively, "Investor Group"), acquired a controlling interest in Domino's through a recapitalization of TISM that resulted in the reorganization and acquisition of Domino's by the Investor Group from Thomas S. Monaghan and certain members of his family (collectively, "Original Stockholders"). Specifically:

- The Investor Group invested $229.2 million to acquire common stock of TISM, which represented approximately 93% of its outstanding common stock immediately following the recapitalization, and $101.1 million to acquire cumulative preferred stock of TISM, which represented 100% of its outstanding preferred stock immediately following the recapitalization.

- The Original Stockholders retained a portion of their voting common stock in TISM equal to $17.5 million, or approximately 7% of the outstanding common stock of TISM immediately following the recapitalization. The Original Stockholders received $903.2 million for their remaining common stock and TISM contingent notes payable for up to an aggregate of $15 million in certain circumstances upon the sale or transfer to non-affiliates by the Bain Capital funds of more than 50% of their initial common stock ownership in TISM.

- Thomas S. Monaghan received $50 million for a covenant not-to-compete.

The recapitalization and related expenses were financed in part through the investments of the Investor Group and:

- Borrowings under a new senior credit facility with aggregate availability of $545 million, consisting of $445 million in term loans and a revolving credit facility of up to $100 million; and

- The sale of $275 million of 10 3/8% Senior Subordinated Notes due in 2009.

Operations

General. We believe our operating model is differentiated from other pizza competitors that are not focused primarily on the delivery business. Our business model has competitive advantages, including production-oriented store design, efficient and consistent operational processes, strategic location to facilitate delivery service, favorable store economics and a focused menu.

Production-Oriented Store Design. Our typical store is small, occupying approximately 1,000 to 1,300 square feet, and is designed with a focus on efficient and timely production of consistent, high-quality pizza for delivery. Our stores are primarily production facilities and, accordingly, do not generally have a dine-in section.

Efficient and Consistent Operational Processes. Each store executes an operational process which includes order taking, pizza preparation, cooking (via automated, conveyor-driven ovens), boxing and delivery. The entire order taking and pizza production process is designed for completion in approximately ten minutes to allow sufficient time for safe delivery generally within 25 to 30 minutes of ordering. This simple and focused operational process has been achieved through years of continuous improvement, resulting in a high level of efficiency.

Strategic Locations. We locate our stores strategically to facilitate quality delivery service to our customers. The majority of our stores are located in populated areas in or adjacent to large or mid-size cities, on or near college campuses or military bases. The majority of our stores serve approximately 5,000 to 15,000 addresses. We use geographic information software, which incorporates variables such as household count, traffic volumes, competitor locations, household demographics and visibility, to evaluate and identify potential store locations.

Favorable Store Economics. Because our stores do not generally offer dine-in service or rely heavily on carry-out, the stores typically do not require expensive real estate, are relatively small, and are inexpensive to build-out and furnish as compared to other QSR establishments. A new Domino's store typically requires only $125,000 to $250,000 in initial capital, far less than many other QSR establishments. Our stores also benefit from lower maintenance costs as store assets have long lives and updates are not frequently required.

Focused Menu. We maintain a focused menu that is designed to present an attractive, high quality offering to customers, while minimizing errors in the order taking and food preparation process and expediting safe delivery. Our basic menu has three simple components: pizza size, pizza type and pizza toppings. Most stores carry two sizes of traditional Hand-Tossed, Thin Crust and Deep Dish pizza. The typical store also offers bread sticks, cheesy bread, cinnamon sticks, Coca-Cola(R) soft drink products and buffalo wings. We also occasionally offer new products on a promotional basis. We believe that our focused menu creates a strong identity among consumers, improves operating efficiency and maintains food quality and consistency.

Divisional Overview

General. We operate three business segments: (i) Domestic Stores, consisting of Corporate operations, which operates our network of 626 Company-owned stores, and Franchise operations, which oversees our domestic network of 4,192 franchise stores; (ii) Distribution, which operates 18 regional food distribution centers and one equipment distribution center supplying food, equipment and supplies to our domestic stores and equipment to our international stores; and (iii) International, which oversees our network of 2,157 international franchise stores in 64 international markets including Alaska, Hawaii, Puerto Rico, the United States Virgin Islands and Guam, and operates our two Company-owned stores in France. International also distributes food to stores from distribution centers in Alaska, Hawaii, Canada and France.

Domestic Stores. Our network of Company-owned stores plays an important strategic role in our predominately franchised system. In addition to generating significant revenues and profits, we utilize our Company-owned stores as a forum for training new store managers and prospective franchisees, and as a test site for new products and promotions and store operational improvements. We also believe that our Company-owned stores add economies of scale for advertising, marketing and other fixed costs traditionally borne by franchisees. Corporate operations is divided into two geographic regions and is managed through 13 field offices in the contiguous United States.

Our domestic franchises are operated by highly qualified entrepreneurs who own and operate an average of three stores. Our principal sources of revenue from domestic franchise store operations are royalty payments based on store sales and, to a much lesser extent, fees for store openings and transfers.

Our domestic franchises are currently managed through five regional offices located in Dallas, Texas, Atlanta, Georgia, Santa Ana, California, Linthicum, Maryland and Ann Arbor, Michigan. The regional offices provide training, financial analysis, store development, store operational audits and marketing services for our franchisees. We maintain a close relationship and direct link with our franchise stores through regional franchise teams, an array of computer-based training materials that ensure franchise stores operate in compliance with specified standards, and franchise advisory groups that facilitate communications between us and our franchisees.

Distribution. Distribution operates distribution centers that purchase, receive, store and deliver uniform, high-quality pizza-related food products, supplies and equipment to domestic stores. Each regional food distribution center serves an average of 268 stores, generally located within a 300-mile radius.

Distribution services all of our domestic Company-owned stores and over 97% of our domestic franchise stores. We believe that this participation rate is particularly impressive and reflective of our world-class distribution centers given the fact that our domestic franchisees have the option of purchasing food, supply and equipment from approved independent suppliers. Distribution supplies products ranging from fresh dough, cheese and basic food items to pizza boxes and cleaning supplies. Distribution drivers generally unload supplies and stock store shelves after hours, thereby minimizing disruption of store operations during peak hours. We believe that franchisees choose to obtain supplies from us because we provide the most efficient, convenient and cost-effective alternative.

Distribution offers a profit-sharing arrangement to stores that purchase 100% of their food and supplies from Distribution. All of our domestic Company-owned stores and substantially all domestic franchise stores buying from Distribution participate in our profit-sharing program. We believe these arrangements strengthen our ties with these franchisees, secure a stable source of revenue and profits for the Company and provide incentives for franchisees to work closely with us to reduce costs. These profit-sharing arrangements provide Company-owned stores and participating franchisees with approximately 50% of their regional distribution center's pre-tax profits. Distribution paid out approximately $32.0 million to franchisees participating in the profit-sharing program in 2000.

Distribution's information systems are an integral part of its superior customer service. Distribution employs routing strategies to maximize on-time deliveries, utilizing software to determine store routes on a daily basis for optimal efficiency. Through our strategic distribution center locations and proven routing systems, we achieved on-time delivery rates of approximately 99% in 2000.

International. International oversees our network of 2,157 stores in 64 international markets, including Alaska, Hawaii, Puerto Rico, the United States Virgin Islands and Guam, and operates our two Company-owned stores in France.

We have over 400 franchise stores in Mexico, more than 200 franchise stores in both Canada and the United Kingdom and over 100 franchise stores in each of Japan, Australia, South Korea and Taiwan. The principal sources of revenues from international operations are royalty payments based on sales from franchisees and, to a lesser extent, food sales to franchisees and fees from master franchise agreements and store openings.

We generally grant international franchises through master franchise agreements to entities that have knowledge of the local markets. These master franchise agreements generally grant the franchisee exclusive rights to develop or sub-franchise stores and distribution centers in a particular geographic area and contain growth clauses requiring franchisees to open a minimum number of stores within a specified period. In a small number of countries, we franchise directly to individual store operators.

Franchise Program

General. The success of our unique franchise formula, together with the relatively low initial capital investment required to open a franchise store, has enabled us to attract a large number of highly motivated entrepreneurs as franchisees. We consider franchisees to be a vital part of our continued growth and believe our relationships with franchisees are excellent.

Domestic Franchisees. We maintain the strength of our franchise store base by seeking franchisees who are willing to commit themselves to operating franchise stores and by applying rigorous standards to prospective franchisees. Specifically, we generally require prospective domestic franchisees to manage a store for at least one year before being granted a franchise. This enables us to observe the operational and financial performance of domestic franchisees prior to entering into a long-term contract. We also restrict the ability of domestic franchisees to become involved in outside business investments, which focuses the franchisees on operating their stores. We believe these standards are unique to the franchise industry and result in highly qualified and focused store operators, while helping to maintain the strength of the Domino's Pizza brand.

We enter into franchise agreements with domestic franchisees under which the franchisee is granted the right to operate a store for a term of ten years, with an option to renew for an additional ten years. Under the current standard franchise agreement, we assign an exclusive area of primary responsibility to each franchise store. During the term of the franchise agreement, the franchisee is generally required to pay a 5.5% royalty fee on sales, subject, in certain instances, to lower rates based on area development agreements, sales initiatives and new store incentives. We have the contractual right, subject to state law, to terminate a franchise agreement for a variety of reasons, including, but not limited to, a franchisee's failure to make payments when due or failure to adhere to specified company policies and standards.

International Franchisees. The majority of franchisees outside of the contiguous United States are master franchisees with franchise and distribution rights for entire regions or countries. Prospective candidates are required to possess or have access to local market knowledge required to establish and develop Domino's Pizza stores and a distribution system. The local market knowledge focuses on the ability to identify and access targeted real estate sites along with expertise in local customs, culture and laws. We also encourage our candidates to have access to sufficient capital to meet growth and development plans.

We enter into master franchise agreements with our international franchisees under which the master franchisee may open and operate franchise stores or, under specified conditions, enter into sub-franchise agreements for a term of ten to twenty years, with an option to renew for an additional ten year term. The master franchisee is generally required to pay an initial, one-time franchisee fee, as well as an additional franchise fee upon the opening of each new store. In addition, the master franchisee is required to pay a continuing royalty fee as a percentage of sales, which also varies.

Franchise Store Development. We furnish each domestic franchisee with assistance in selecting sites, developing stores and conforming to the physical specifications for typical stores. Each domestic franchisee is responsible for selecting the location for a store but must obtain approval for store design and location based on accessibility and visibility of the site and targeted demographic factors, including population density and traffic. We provide design plans, fixtures and equipment for most franchise locations at competitive prices.

Franchisee Financing Programs. We have an established internal financing program to assist franchisees in opening stores. We generally provide financing of up to $100,000 for the purpose of opening new stores to franchisees who are creditworthy and have adequate working capital. The franchisees may use the funds to purchase equipment, signage, leasehold improvements or supplies, with the condition that leasehold improvements cannot exceed $35,000. We have also historically offered to finance the sale of certain Company-owned stores to domestic franchisees and finance the implementation of new products and programs such as the 1998 rollout of our HeatWave(R) hot bag systems. In addition, we have notes outstanding to various international franchisees. At December 31, 2000, loans outstanding under our franchisee financing programs totaled $19.0 million.

Franchise Training and Support. Training store managers and employees is a critical component of our success. We require all domestic franchisees to complete initial and ongoing training programs provided by us. In addition, under the standard domestic franchise agreement, domestic franchisees are required to implement training programs for their store employees. We assist our domestic and international franchisees by providing training services for store managers and employees, including computer-based training materials, comprehensive operations manuals and franchise development classes.

Franchise Operations. We maintain strict control over franchise operations to protect our brand and image. All franchisees are required to operate their stores in compliance with written policies, standards and specifications, including matters such as menu items, ingredients, materials, supplies, services, furnishings, decor and signs. Each franchisee has full discretion to determine the product prices to be charged to its customers. We also provide support to our franchisees, including training, marketing assistance and consultation to franchisees who experience financial or operational difficulties. We have established several advisory boards through which franchisees can contribute to corporate level initiatives.

Domino's Image 2000 Campaign

We have implemented a relocation and reimaging campaign called Domino's Image 2000. The relocation program is aimed at increasing store sales and market share through improved brand visibility and maximization of carry-out sales. It involves relocating selected stores, upgrading store interiors, adding new signage to draw attention to the store and providing contemporary uniforms for employees. If a store is already in a strong location, the signage and carry-out areas are updated. We believe that average per Company-owned store capital expenditures for the reimaging campaign will approximate $30,000. The capital expenditures for relocating a Company-owned store averages approximately $170,000 to $190,000 per store.

Marketing Operations

We coordinate the domestic advertising and marketing efforts at the national and cooperative market levels. We require Company-owned and domestic franchise stores to contribute 3% of their net sales to fund national marketing and advertising campaigns. The fund is used primarily to purchase television advertising, but also supports market research, field communications, commercial production, talent payments and other activities supporting the Domino's Pizza brand. We can require stores to additionally contribute a minimum of 1% up to a maximum of 3% of net sales to market level media campaigns. Franchise store contributions to market level media campaigns currently average approximately 2.3% of net sales in our top 40 markets.

We estimate that Company-owned and domestic franchise stores also spend an additional 3% to 5% of their net sales on local store marketing, including targeted database mailings, saturation print mailings to households in a target area and community involvement through school and civic organizations. We offer a national print program which provides cost-effective print materials as an incentive for franchisees to use marketing material prepared by us and which reinforces our national branding strategy.

By communicating common brand direction at the national, market and local market levels, we create a consistent marketing message to our customers. Over the past five years, we estimate that we and our domestic franchisees have invested approximately $1.1 billion in system-wide advertising at the national, market and local community levels.

Suppliers

We believe that the length and quality of our relationships with suppliers provides us with priority service at competitive prices. We have maintained active relationships of over 15 years with more than half of our major suppliers. As a result, we have typically relied on oral rather than written contracts with our suppliers. In addition, we believe that two factors have been critical to maintaining long-lasting relationships and keeping our purchasing costs low. First, we are one of the largest volume purchasers of pizza-related products such as flour, cheese, sauce and pizza boxes, which gives us the ability to maximize leverage with our suppliers. Second, in four of our five key product categories (meats, dough products, boxes and sauce), we generally retain active purchasing relationships with at least two separate suppliers. This purchasing strategy allows us to shift purchases among suppliers based on quality, price and timeliness of delivery. For the year ended December 31, 2000, our cheese supplier accounted for approximately 33% of our distribution cost of sales. Prices charged to us by our suppliers are subject to fluctuation and we have historically been able to pass increased costs onto our Distribution customers. There can be no assurances that we will be able to continue this in the future.

Competition

The pizza delivery market is highly fragmented. In this market, we compete against regional and local companies, as well as three national chains: Pizza Hut(R), Papa John's(R) and Little Caesar's(R). We generally compete on the basis of product quality, location, delivery time, service and price. We also compete on a broader scale with other international, national, regional and local restaurants and QSR establishments. The overall food service industry and the QSR segment is intensely competitive with respect to product quality, price, service, convenience and concept. The industry is often affected by changes in consumer tastes, national, regional or local economic conditions, currency fluctuations to the extent international operations are involved, demographic trends and disposable purchasing power. We compete within the food service industry and the QSR segment not only for customers, but also for management and hourly personnel, suitable real estate sites and qualified franchisees.

Government Regulation

We are subject to various federal, state and local laws affecting the operation of our business, as are our franchisees. Each store is subject to licensing and regulation by a number of governmental authorities, which include zoning, health, safety, sanitation, building and fire agencies in the jurisdiction in which the store is located. Difficulties in obtaining, or the failure to obtain, required licenses or approvals can delay or prevent the opening of a new store in a particular area or cause an existing store to cease operations. Our distribution facilities are licensed and subject to regulation by federal, state and local health and fire codes.

We are subject to the rules and regulations of the Federal Trade Commission (FTC) and various state laws regulating the offer and sale of franchises. The FTC and various state laws require that we furnish a franchise offering circular containing certain information to prospective franchisees. A number of states regulate the sale of franchises and require registration of the franchise offering circular with state authorities and the delivery of a franchise offering circular to prospective franchisees. We are operating under exemptions from registration in several states based on net worth and experience. Substantive state laws that regulate the franchisor-franchisee relationship presently exist in a substantial number of states, and bills have been introduced in Congress from time to time which would provide for federal regulation of the franchisor-franchisee relationship. The state laws often limit, among other things, the duration and scope of non-competition provisions, the ability of a franchisor to terminate or refuse to renew a franchise and the ability of a franchisor to designate sources of supply.

Internationally, our franchise stores are subject to national and local laws and regulations which often are similar to those affecting our domestic stores, including laws and regulations concerning franchises, labor, health, sanitation and safety. Our international franchise stores are also often subject to tariffs and regulations on imported commodities and equipment and laws regulating foreign investment.

Trademarks

Domino's has several registered trademarks and service marks and believes that the Domino's Pizza mark has significant value and is materially important to our business. Our policy is to pursue registration of our important trademarks whenever possible and to vigorously oppose the infringement of any of our registered or unregistered trademarks. Domino's licenses the use of its registered marks to franchisees through their franchise agreements.

Working Capital

Information about the Company's working capital is included in Management's Discussion and Analysis of Financial Condition and Results of Operation in Part II, Item 7., page 16.

Customers

The Company's business is not dependent upon a single customer or small group of customers. No customer accounted for more than 10% of total consolidated revenues in 2000, 1999 or 1998.

Seasonal Operations

The Company's business is not typically seasonal.

Backlog Orders

Company-owned stores and distribution centers have no backlog orders as of December 31, 2000.

Government Contracts

No material portion of the Company's business is subject to renegotiation of profits or termination of contracts or subcontracts at the election of the United States government.

Research and Development

The Company operates research and product development facilities at its corporate headquarters in Ann Arbor, Michigan. The Company incurred research and development expense of approximately $1,009,000, $788,000 and $620,000 in 2000, 1999 and 1998, respectively.

Environmental Matters

The Company is not aware of any Federal, state or local environmental laws or regulations that will materially affect its earnings or competitive position, or result in material capital expenditures. However, we cannot predict the effect of possible future environmental legislation or regulations. During 2000, there were no material capital expenditures for environmental control facilities and no such material expenditures are expected.

Employees

As of December 31, 2000, we had approximately 14,600 employees, excluding employees of franchise-operated stores. None of our domestic employees are represented by unions. We consider our relationships with our employees to be excellent.

Financial Information about Geographic Areas

Financial information about international and United States markets is incorporated herein by reference from Selected Financial Data, Management's Discussion and Analysis of Financial Condition and Results of Operation and the consolidated financial statements and related footnotes in Part II, Item 6., pages 11 through 12, Item 7. pages 13 through 16 and Item 8. pages 19 through 46, respectively of this Form 10-K.

Item 2. Properties.

We lease approximately 185,000 square feet for our executive offices, world headquarters and distribution facility located in Ann Arbor, Michigan under an operating lease with Domino's Farms Office Park Limited Partnership, a related party, for a term of five years commencing December 21, 1998, with an option to renew for an additional five-year term.

We own facilities at fourteen Company-owned stores and five distribution facilities. We also own and lease seven store facilities to domestic franchisees. There are no mortgages on any of these facilities other than mortgages on the distribution facilities granted in connection with our senior credit facilities. All other Company-owned stores and facilities are leased by us, typically with five-year leases with one or two five-year renewal options. All other franchise stores are leased or owned directly by the franchisees.

Item 3. Legal Proceedings.

The Company is a party to lawsuits, revenue agent reviews by taxing authorities and legal proceedings, of which the majority involve workers' compensation, employment practices liability, general liability, automobile and franchisee claims arising in the ordinary course of business. In the opinion of the Company's management, these matters, individually and in the aggregate, will not have a material adverse effect on the financial condition and results of operations of the Company.

Item 4. Submission of Matters to a Vote of Security Holders.

None.

Part II

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters.

As of March 15, 2001, Domino's had 3,000 authorized shares of common stock, par value $0.01 per share, of which 10 were issued and outstanding and held by TISM. There is no established public trading market for Domino's common stock. Domino's ability to pay dividends is limited under the indenture related to the Senior Subordinated Notes.

Item 6. Selected Financial Data.

The following selected financial data, as of and for the fiscal years ended December 31, 2000, January 2, 2000, January 3, 1999 (consists of 53 weeks), December 28, 1997 and December 29, 1996, is derived from the audited consolidated financial statements of Domino's, Inc. and subsidiaries except for the historical balance sheet data as of December 29, 1996 which was derived from unaudited consolidated financial statements of Domino's, Inc. and subsidiaries which, in the opinion of management, include all adjustments necessary for a fair presentation. The data should be read in conjunction with, and is qualified by reference to, Management's Discussion and Analysis of Financial Condition and Results of Operation.

(In thousands)	2000	1999 (a)	1998	1997	1996
System-wide Sales (unaudited):					
Domestic	$2,647,221	$2,563,311	$2,505,991	$2,294,224	$2,110,324
International	896,254	800,989	717,694	633,857	524,496
	$3,543,475	$3,364,300	$3,223,685	$2,928,081	$2,634,820
Operating Data:					
Revenues	$1,166,080	$1,156,639	$1,176,778	$1,044,790	$969,937
Income from operations	112,354	75,628	70,269	65,004	56,501
Income before provision (benefit) for income taxes and extraordinary item	41,098	2,504	63,948	61,471	50,611
Provision (benefit) for income taxes (b)	16,073	419	(12,928)	366	30,884
Extraordinary gain on debt extinguishment, net of income taxes	181	-	-	-	-
Net income	25,206	2,085	76,876	61,105	19,727
Other Financial Data:					
EBITDA (c)	$147,296	$131,055	$94,962	$83,140	$72,340
Net cash provided by operating activities	57,602	63,268	64,731	73,408	53,225
Depreciation and other non-cash items	34,942	51,427	24,693	18,136	15,839
Capital expenditures	37,903	27,882	48,359	31,625	15,472
Balance Sheet Data:					
Total assets	$ 369,629	$ 381,130	$ 387,891	$ 212,978	$ 155,454
Long-term debt	664,592	696,132	720,480	36,438	46,224
Total debt	686,074	717,570	728,126	44,408	70,067
Stockholder's equity (deficit)	(454,807)	(478,966)	(483,775)	26,118	(34,868)

(a) In 1999, the Company recognized $7.6 million in restructuring charges comprised of staff reduction costs of $6.3 million and exit cost liabilities of 1.3 million.

(b) On December 30, 1996, the Company elected to be an "S" Corporation for federal income tax purposes. The Company reverted to "C" Corporation status effective December 21, 1998. On a pro forma basis, had the Company been a "C" Corporation throughout this period, income tax expense would have been higher by the following amounts: fiscal year ended December 28, 1997 -- $25.4 million; fiscal year ended January 3, 1999 -- $36.8 million.

(c) EBITDA represents earnings before interest, taxes, depreciation, amortization, gain (loss) on sale of assets and, in 1999, the legal settlement expense indemnified by a TISM stockholder. EBITDA is presented because we utilize it extensively in internal management reporting to evaluate our business segments, we believe it is frequently used by security analysts in the evaluation of companies and is an important financial measure in our indenture and credit agreements. However, EBITDA should not be considered as an alternative to cash flow from operating activities as a measure of liquidity or as an alternative to net income as an indicator of our operating performance or any other measure of performance in accordance with generally accepted accounting principles.

The following table sets forth a reconciliation of income from operations to EBITDA:

	Fiscal Year				
Dollars in Thousands	2000	1999	1998	1997	1996
Income from operations	$112,354	$ 75,628	$70,269	$ 65,004	$ 56,501
Loss (gain) on sale of assets	1,338	(316)	1,570	1,197	353
Legal settlement expense indemnified by a TISM stockholder	-	4,000	-	-	-
Depreciation and amortization	33,604	51,743	23,123	16,939	15,486
EBITDA	$147,296	$131,055	$ 94,962	$ 83,140	$ 72,340

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation.

The following discussion and analysis of financial condition and results of operation relates, in part, to periods prior to TISM's recapitalization in December 1998. As a result of the recapitalization, the Company entered into new financing arrangements under which the Company incurred significant indebtedness. The Company also has a different capital structure, and changes in ownership and executive leadership team composition subsequent to the recapitalization. Accordingly, the results of operations for the year ended January 3, 1999, which consists of 53 weeks, will not necessarily be comparable to the years ended January 2, 2000 and December 31, 2000, respectively.

2000 Compared to 1999

Revenues

General. Revenues primarily include retail sales of food by Company-owned stores, royalties and fees from domestic and international franchise stores, and sales of food, equipment and supplies by our distribution centers to domestic and international franchise stores.

Total revenues increased 0.8% to $1.166 billion in 2000, from $1.157 billion in 1999. This increase in total revenues is due primarily to increased international and domestic franchise revenues. These results are more fully described below.

Domestic Stores

Corporate Stores. Revenues from corporate store operations decreased slightly to $378.0 million in 2000, from $378.1 million in 1999.

This slight decrease is due primarily to a decrease in same store sales offset in part by an increase in the average number of Company-owned stores open during 2000. Same store sales for Company-owned stores decreased 0.9% in 2000 compared to 1999. The number of Company-owned stores was 626 as of December 31, 2000, as compared to 656 as of January 2, 2000. The average number of Company-owned stores open during 2000 increased by 2 stores compared to 1999.

Domestic Franchise. Revenues from domestic franchise operations increased 3.3% to $120.6 million in 2000, from $116.7 million in 1999.

This increase is due primarily to an increase in the average number of domestic franchise stores open during 2000 and an increase in same store sales. Same store sales for domestic franchise stores increased 0.1% in 2000 compared to 1999. The number of domestic franchise stores was 4,192 as of December 31, 2000, as compared to 3,973 as of January 2, 2000. The average number of domestic franchise stores open during 2000 increased by 165 stores compared to 1999.

Domestic Distribution

Revenues from domestic distribution operations increased 0.1% to $604.1 million in 2000, from $603.4 million in 1999.

This increase is due primarily to an increase in food volumes related to increased domestic franchise same store sales and increased domestic franchise store counts, offset in part by a market decrease in cheese prices and an increased demand for lower-priced fresh dough.

International

Revenues from international operations increased 8.6% to $63.4 million in 2000, from $58.4 million in 1999.

This increase is due primarily to an increase in the average number of international franchise stores open during 2000 and an increase in same store sales. On a constant dollar basis, same store sales increased 3.7% in 2000 compared to 1999. The number of international stores was 2,159 as of December 31, 2000, as compared to 1,930 as of January 2, 2000. The average number of international stores open during 2000 increased by 243 stores compared to 1999.

Operating Expenses
- ------------------

Cost of sales increased 0.9% to $862.2 million in 2000, from $854.2 million in 1999. Gross profit increased 0.5% to $303.9 million in 2000, from $302.5 million in 1999.

This increase in gross profit is due primarily to an increase in total revenues and lower food costs in part due to an increased demand for higher-margin fresh dough. This increase was offset in part by increases in Company-owned store labor and delivery expenses.

General and administrative expenses decreased 12.6% to $191.6 million in 2000, from $219.3 million in 1999. As a percentage of total revenues, general and administrative expenses decreased 2.6% to 16.4% in 2000, from 19.0% in 1999.

These decreases are due primarily to a decrease in covenant not-to-compete amortization expense and, to a lesser extent, savings realized from our corporate restructuring in late 1999 and a decrease in professional fees. Covenant not-to-compete amortization expense, primarily related to the covenant obtained as part of the recapitalization, decreased $21.9 million to $11.2 million in 2000, from $33.1 million in 1999. This decrease is due to the use of an accelerated amortization method over the covenant's three-year term.

Provision (Benefit) for Income Taxes
- ------------------------------------

Provision (benefit) for income taxes increased $15.7 million to $16.1 million in 2000, from $0.4 million in 1999. This increase is due primarily to a significant increase in pre-tax income in 2000 compared to 1999.

1999 Compared to 1998

Revenues
- --------

General. Total revenues decreased 1.7% to $1.157 billion in 1999, from $1.177 billion in 1998. This decrease in total revenues is due primarily to the 1998 store rationalization program and the one additional week in fiscal 1998 as compared to fiscal 1999, offset in part by increased domestic franchise and domestic distribution revenues.

Domestic Stores
- ---------------

Corporate Stores. Revenues from corporate store operations decreased 7.7% to $378.1 million in 1999, from $409.4 million in 1998.

This decrease is due primarily to a reduction in the average number of Company-owned stores open during 1999, due primarily to the 1998 store rationalization program, offset in part by an increase in same store sales. The Company closed or sold to franchisees 142 under-performing Company owned-stores during the fourth quarter of 1998 under the 1998 store rationalization program. Same store sales for Company-owned stores increased 1.7% in 1999 compared to 1998. The number of Company-owned stores was 656 as of January 2, 2000, as compared to 642 as of January 3, 1999. The average number of Company-owned stores open during 1999 decreased by 91 stores compared to 1998.

Domestic Franchise. Revenues from domestic franchise operations increased 4.0% to $116.7 million in 1999, from $112.2 million in 1998.

This increase is due primarily to an increase in the average number of domestic franchise stores open during 1999, in part resulting from the 1998 store rationalization program, and an increase in same store sales. Same store sales for domestic franchise stores increased 2.9% in 1999 compared to 1998. The number of domestic franchise stores was 3,973 as of January 2, 2000, as compared to 3,847 as of January 3, 1999. The average number of domestic franchise stores open during 1999 increased by 151 stores compared to 1998.

Domestic Distribution
- ---------------------

Revenues from domestic distribution operations increased 0.7% to $603.4 million in 1999, from $599.1 million in 1998.

This increase is due primarily to an increase in food volumes related to increased domestic franchise same store sales and increased domestic franchise store counts, offset in part by a $7.0 million decrease in equipment sales during 1999 and an increased demand for lower-priced fresh dough. During the first half of 1998, equipment and supply sales to franchisees were at high levels due primarily to the roll-out of the Domino's HeatWave hot bag systems.

International

Revenues from international operations increased 4.2% to $58.4 million in 1999, from $56.0 million in 1998.

This increase is due primarily to an increase in the average number of international franchise stores open during 1999, the addition of three Company-owned stores in France and an increase in same store sales. On a constant dollar basis, same store sales increased 3.6% in 1999 compared to 1998. The number of international stores was 1,930 as of January 2, 2000, as compared to 1,730 at January 3, 1999. The average number of international stores open during 1999 increased by 182 stores compared to 1998.

Operating Expenses

Cost of sales decreased 4.1% to $854.2 million in 1999, from $890.8 million in 1998. Gross profit increased 5.8% to $302.5 in 1999, from $286.0 in 1998.

This increase in gross profit is due primarily to reductions in Company-owned store food, labor and insurance costs that resulted mainly from the elimination of under-performing stores through the 1998 store rationalization program as well as improved shift scheduling, minimized overtime, reduced insurance premiums and favorable product mix and pricing. In addition, the cost of sales component of depreciation and amortization expense decreased due to the modification of estimated useful lives for several fixed asset categories effective in the first quarter of 1999.

General and administrative expenses increased 1.6% to $219.3 million in 1999, from $215.7 million in 1998. As a percentage of total revenues, general and administrative expenses increased 0.7% to 19.0% in 1999, from 18.3% in 1998.

These increases are due primarily to a $5.0 million litigation settlement expense incurred in 1999 and increased covenant not-to-compete amortization expense of $32.5 million resulting from a covenant not-to-compete obtained as part of the recapitalization. These increases were substantially offset by decreases in related party expenses of $21.0 million, comprised primarily of lease payments and charitable contributions, the elimination of a field office as part of our 1998 store rationalization program and costs associated with the additional week included in fiscal 1998.

Restructuring

In 1999, the Company recognized approximately $7.6 million in restructuring charges comprised of staff reduction costs of $6.3 million and exit cost liabilities of $1.3 million. The staff reduction costs were incurred in connection with the reduction of 90 corporate and administrative employees. The exit costs were recorded in connection with the planned closure and relocation of certain Company-owned stores.

Interest Expense

Interest expense increased approximately $67.0 million to $74.1 million in 1999, from $7.1 million in 1998. This increase is due primarily to increased interest costs due to significantly increased indebtedness incurred as part of the recapitalization and amortization of related deferred financing costs.

Provision (Benefit) for Income Taxes

Provision (benefit) for income taxes increased $13.3 million to a provision of $0.4 million in 1999, from a benefit of $12.9 million in 1998. As part of the recapitalization, TISM and its qualifying subsidiaries (including Domino's) converted from "S" Corporation status to "C" Corporation status for federal income tax reporting purposes in December 1998 and established a $27.9 million deferred tax asset, which was partially offset by the establishment of tax reserves. The Company did not provide for Federal income taxes on income earned during the 1998 "S" Corporation period. Additionally, in May 1999, a state court upheld a favorable lower court tax ruling with respect to an issue that, if decided unfavorably, could have resulted in significant additional tax cost to the Company. As a result, during the second fiscal quarter of 1999, the Company reversed related state tax reserves and deferred federal tax benefits that were associated with this issue.

Liquidity and Capital Resources

We had negative working capital of $12.7 million and cash of $25.1 million at December 31, 2000. Historically, we have operated with minimal positive working capital or negative working capital primarily because our receivable collection periods and inventory turn rates are faster than the normal payment terms on our current liabilities. In addition, our sales are not typically seasonal, which further limits our working capital requirements. Our primary sources of liquidity are cash flows from operations and availability of borrowings under our revolving credit facility. We expect to fund planned capital expenditures and debt commitments from these sources.

As of December 31, 2000, we had $686.1 million of long-term debt, of which $21.5 million was classified as a current liability. There were no borrowings under our $100 million revolving credit facility and letters of credit issued under the revolving credit facility were $14.2 million. The borrowings under the revolving credit facility are available to fund our working capital requirements, capital expenditures and other general corporate purposes.

Cash provided by operating activities was $57.6 million and $63.3 million for 2000 and 1999, respectively. The $5.7 million decrease is due primarily to a $18.0 million net change in operating assets and liabilities and a $18.1 million decrease in depreciation and amortization. These decreases in cash provided by operating activities were partially offset by an increase in net income of $23.1 million and a $4.9 million decrease in deferred income taxes.

Cash used in investing activities was $34.8 million and $26.4 million for 2000 and 1999, respectively. The $8.4 million increase is due primarily to a $10.0 million increase in purchases of property, plant and equipment. The main components of this increase are as follows: (i) a $6.1 million increase related to Company-owned store relocations, re-imagings and other upgrades; (ii) a $2.4 million increase related to distribution center activity; and (iii) a $1.1 million net increase in information systems spending including a $3.1 million increase in spending on our next generation store systems project. The Company also experienced a $3.0 million decrease in cash provided by notes receivable repayments. These increases in cash used in investing activities were partially offset by a $3.3 million increase in cash provided by proceeds from sales of property, plant and equipment, including $3.1 million relating to the sale of 8 Company-owned stores to a franchisee.

Cash used in financing activities was $28.0 million and $6.9 million for 2000 and 1999, respectively. The $21.1 million increase is due primarily to an $18.0 million increase in payments made under our senior credit facility and a $10.0 million extinguishment of senior subordinated notes during 2000. These increases in cash used in financing activities were partially offset by a $2.5 million increase in capital contributions and a $2.6 million decrease in distributions to TISM during 2000.

Based upon the current level of operations and anticipated growth, we believe that the cash generated from operations and amounts available under the revolving credit facility will be adequate to meet our anticipated debt service requirements, capital expenditures and working capital needs for the next several years. There can be no assurance, however, that our business will generate sufficient cash flow from operations or that future borrowings will be available under the senior credit facilities or otherwise to enable us to service our indebtedness, including the senior credit facilities and the Senior Subordinated Notes, to redeem or refinance TISM's, our Parent company, Cumulative Preferred Stock when required or to make anticipated capital expenditures. Our future operating performance and our ability to service or refinance the Senior Subordinated Notes and to service, extend or refinance the senior credit facilities will be subject to future economic conditions and to financial, business and other factors, many of which are beyond our control.

Impact of Inflation

We believe that our results of operation are not materially impacted upon moderate changes in the inflation rate. Inflation and changing prices did not have a material impact on our operations in 2000, 1999 or 1998. Severe increases in inflation, however, could affect the global and United States economy and could have an adverse impact on our business, financial condition and results of operation.

FORWARD LOOKING STATEMENTS

This Form 10-K contains forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Act"), including information within Management's Discussion and Analysis of Financial Condition and Results of Operation. The following cautionary statements are being made pursuant to the provisions of the Act and with the intention of obtaining the benefits of the "safe harbor" provisions of the Act. Although we believe that our expectations are based on reasonable assumptions, actual results may differ materially from those in the forward looking statements as a result of various factors, including but not limited to, the following:

- Our ability to grow and implement cost-saving strategies
- Increases in our operating costs, including cheese, fuel and other commodity costs and the minimum wage
- Our ability to compete domestically and internationally in our intensely competitive industry
- Our ability to retain or replace our executive officers and other key members of management and our ability to adequately staff our stores and distribution centers with qualified personnel
- Our ability to pay principal and interest on our substantial debt
- Our ability to borrow in the future
- Our ability to find and/or retain suitable real estate for our stores and distribution centers
- Adverse legislation or regulation
- Changes in consumer taste, demographic trends and traffic patterns
- Our ability to sustain or increase historical revenues and profit margins
- Continuation of certain trends and general economic conditions in the industry
- Adequacy of insurance coverage

We do not undertake to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Market Risk

The Company is exposed to market risks primarily from interest rate changes on our variable rate debt and foreign currency fluctuations relating to international revenues. Management actively monitors these exposures. As a policy, the Company does not engage in speculative transactions nor does it hold or issue financial instruments for trading purposes.

Interest Rate Swaps

The Company may enter into interest rate swaps or similar instruments with the objective of reducing our volatility in borrowing costs. In 1999, we entered into two interest rate swap agreements (the 1999 Swap Agreements) to effectively convert the Eurodollar interest rate component on a portion of our variable rate debt to a fixed rate of 5.12% through December 2001. As of December 31, 2000, the total notional amount of the 1999 Swap Agreements was $173.0 million.

Interest Rate Risk

The Company's variable interest expense is sensitive to changes in the general level of interest rates. As of December 31, 2000, a portion of the Company's debt is borrowed at Eurodollar rates plus a blended margin rate of approximately 3.2%. At December 31, 2000, the weighted average interest rate on our $247.9 million of variable interest debt was approximately 9.8%. The fair value of the Company's debt approximates its carrying value.

The Company had total interest expense of approximately $75.2 million for the year ended December 31, 2000. The estimated increase in interest expense from a hypothetical 200 basis point adverse change in applicable variable interest rates would be approximately $5.1 million.

Foreign Currency Forward Contracts

The Company may enter into forward exchange contracts or similar instruments with the objective of reducing fluctuations in cash flows associated with changes in the related foreign currency rates. As of December 31, 2000, we had no outstanding forward exchange contracts. No significant gains or losses relating to forward exchange contracts have been recognized during fiscal 2000.

Accounting for Derivative Instruments and Hedging Activities

The Financial Accounting Standards Board has issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities", and two related Statements which require that an entity recognize all derivatives as either assets or liabilities in the balance sheet and measure those instruments at fair value. The Company adopted these Statements on January 1, 2001. Adoption of these Statements resulted in the recognition of an approximately $2.7 million derivative asset relating to the fair value of the Company's 1999 Swap Agreements which the Company has designated as cash flow hedges.

Item 8. Financial Statements and Supplementary Data.

Report of Independent Public Accountants

To Domino's, Inc.:

We have audited the accompanying consolidated balance sheets of Domino's, Inc. (a Delaware corporation) and subsidiaries as of December 31, 2000 and January 2, 2000, and the related consolidated statements of income, comprehensive income, stockholder's equity (deficit) and cash flows for each of the three years in the period ended December 31, 2000. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Domino's, Inc. and subsidiaries as of December 31, 2000 and January 2, 2000, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2000 in conformity with accounting principles generally accepted in the United States.

Detroit, Michigan,
January 30, 2001.

/s/ ARTHUR ANDERSEN LLP

DOMINO'S, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share amounts)

ASSETS	December 31, 2000	January 2, 2000
CURRENT ASSETS:		
Cash	$ 25,136	$ 30,278
Accounts receivable, net of reserves of $3,561 in 2000 and $2,444 in 1999	48,682	40,902
Notes receivable, net of reserves of $783 in 2000 and $288 in 1999	3,833	5,172
Inventories	19,086	18,624
Prepaid expenses and other	6,580	14,890
Deferred income taxes	9,290	10,498
Total current assets	112,607	120,364
PROPERTY, PLANT AND EQUIPMENT:		
Land and buildings	14,917	14,246
Leasehold and other improvements	55,100	54,538
Equipment	114,456	117,018
Construction in progress	7,366	3,548
	191,839	189,350
Accumulated depreciation and amortization	106,526	116,287
Property, plant and equipment, net	85,313	73,063
OTHER ASSETS:		
Investments in marketable securities, restricted	3,962	3,187
Notes receivable, less current portion, net of reserves of $2,358 in 2000 and $3,249 in 1999	12,066	10,380
Deferred income taxes	71,253	73,038
Deferred financing costs, net of accumulated amortization of $12,326 in 2000 and $6,327 in 1999	30,626	37,208
Goodwill, net of accumulated amortization of $10,107 in 2000 and $9,217 in 1999	14,944	16,034
Covenants not-to-compete, net of accumulated amortization of $54,223 in 2000 and $43,152 in 1999	5,851	16,970
Capitalized software, net of accumulated amortization of $20,102 in 2000 and $14,332 in 1999	27,388	26,113
Other assets, net of accumulated amortization and reserves of $6,245 in 2000 and $6,555 in 1999	5,619	4,773
Total other assets	171,709	187,703
Total assets	$369,629	$381,130

The accompanying notes are an integral part of these consolidated balance sheets.

DOMINO'S, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Continued)

(In thousands, except share and per share amounts)

LIABILITIES AND STOCKHOLDER'S DEFICIT	December 31, 2000	January 2, 2000
CURRENT LIABILITIES:		
Current portion of long-term debt	$ 21,482	$ 21,438
Accounts payable	38,335	35,108
Accrued interest	12,922	13,643
Insurance reserves	6,793	7,152
Accrued compensation	17,977	18,068
Accrued income taxes	2,778	804
Accrued restructuring	744	3,020
Other accrued liabilities	24,281	26,875
Total current liabilities	125,312	126,108
LONG-TERM LIABILITIES:		
Long-term debt, less current portion	664,592	696,132
Insurance reserves	9,633	15,485
Other accrued liabilities	24,899	22,371
Total long-term liabilities	699,124	733,988
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDER'S DEFICIT:		
Common stock, par value $0.01 per share; 3,000 shares authorized; 10 shares issued and outstanding	-	-
Additional paid-in capital	120,202	120,202
Retained deficit	(574,657)	(599,292)
Accumulated other comprehensive income	(352)	124
Total stockholder's deficit	(454,807)	(478,966)
Total liabilities and stockholder's deficit	$ 369,629	$ 381,130

The accompanying notes are an integral part of these consolidated balance sheets.

DOMINO'S, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(In thousands)

	For the Years Ended December 31, 2000	January 2, 2000	January 3, 1999
REVENUES:			
Corporate stores	$ 377,971	$ 378,081	$ 409,413
Domestic franchise royalties	120,608	116,715	112,222
Domestic distribution	604,096	603,441	599,121
International	63,405	58,402	56,022
Total revenues	1,166,080	1,156,639	1,176,778
OPERATING EXPENSES:			
Cost of sales	862,161	854,151	890,784
General and administrative	191,565	219,277	215,725
Restructuring	-	7,583	-
Total operating expenses	1,053,726	1,081,011	1,106,509
INCOME FROM OPERATIONS	112,354	75,628	70,269
INTEREST INCOME	3,961	992	730
INTEREST EXPENSE	(75,217)	(74,116)	(7,051)
INCOME BEFORE PROVISION (BENEFIT) FOR INCOME TAXES AND EXTRAORDINARY ITEM	41,098	2,504	63,948
PROVISION (BENEFIT) FOR INCOME TAXES	16,073	419	(12,928)
INCOME BEFORE EXTRAORDINARY ITEM	25,025	2,085	76,876
GAIN ON DEBT EXTINGUISHMENT, NET OF TAX PROVISION OF $111	181	-	-
NET INCOME	$ 25,206	$ 2,085	$ 76,876

The accompanying notes are an integral part of these consolidated statements.

DOMINO'S, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands)

	For the Years Ended		
	December 31, 2000	January 2, 2000	January 3, 1999
NET INCOME	$25,206	$2,085	$76,876
OTHER COMPREHENSIVE INCOME, BEFORE TAX:			
Currency translation adjustment	(147)	98	(44)
Unrealized gain on investments in marketable securities	-	518	-
Reclassification adjustment for gains included in net income	(548)	-	(497)
	(695)	616	(541)
TAX ATTRIBUTES OF ITEMS IN OTHER COMPREHENSIVE INCOME	219	(189)	30
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX	(476)	427	(511)
COMPREHENSIVE INCOME	$24,730	$2,512	$76,365

The accompanying notes are an integral part of these consolidated statements.

DOMINO'S, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDER'S EQUITY (DEFICIT)

(In thousands)

	Common Stock	Additional Paid-in Capital	Retained Earnings (Deficit)	Accumulated Other Comprehensive Income: Currency Translation Adjustment	Accumulated Other Comprehensive Income: Unrealized Gain on Investments in Marketable Securities
BALANCE AT DECEMBER 28, 1997	$ -	$ -	$ 25,910	$(259)	$ 467
Net income	-	-	76,876	-	-
Capital contributions from Parent	-	50,430	-	-	-
Distributions to Parent	-	-	(690,688)	-	-
Currency translation adjustment	-	-	-	(44)	-
Reclassification adjustment for gains included in net income	-	-	-	-	(467)
Recognition of deferred income taxes as part of Recapitalization	-	-	54,000	-	-
Reclassification of S Corporation undistributed earnings upon conversion to C Corporation	-	64,307	(64,307)	-	-
BALANCE AT JANUARY 3, 1999	-	114,737	(598,209)	(303)	-
Net income	-	-	2,085	-	-
Capital contributions from Parent	-	5,465	-	-	-
Distribution to Parent	-	-	(3,168)	-	-
Currency translation adjustment	-	-	-	98	-
Unrealized gain on investments in marketable securities	-	-	-	-	329
BALANCE AT JANUARY 2, 2000	-	120,202	(599,292)	(205)	329
Net income	-	-	25,206	-	-
Distributions to Parent	-	-	(571)	-	-
Currency translation adjustment	-	-	-	(147)	-
Reclassification adjustment for gains included in net income	-	-	-	-	(329)
BALANCE AT DECEMBER 31, 2000	$ -	$120,202	$(574,657)	$(352)	$ -

The accompanying notes are an integral part of these consolidated statements.

DOMINO'S, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	For the Years Ended		
	December 31, 2000	January 2, 2000	January 3, 1999
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 25,206	$ 2,085	$ 76,876
Adjustments to reconcile net income to net cash provided by operating activities-			
Depreciation and amortization	33,604	51,743	23,123
Provision (benefit) for losses on accounts and notes receivable	2,201	1,971	(3,212)
(Gain) loss on sale of property, plant and equipment	1,338	(316)	1,570
Provision (benefit) for deferred income taxes	2,993	(1,949)	(27,587)
Amortization of deferred financing costs	6,582	6,093	388
Changes in operating assets and liabilities-			
Decrease (increase) in accounts receivable	(10,095)	6,123	(6,254)
Decrease in inventories and prepaid expenses and other	3,846	957	4,531
Increase (decrease) in accounts payable and accrued liabilities	(1,862)	1,006	7,989
Decrease in insurance reserves	(6,211)	(4,445)	(12,693)
Net cash provided by operating activities	57,602	63,268	64,731
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property, plant and equipment	(37,903)	(27,882)	(48,359)
Proceeds from sale of property, plant and equipment	5,034	1,769	5,587
Purchases of franchise operations	(5,072)	(4,565)	(1,534)
Repayments of notes receivable	5,334	8,307	414
(Purchases) sales of investments in marketable securities	(1,104)	(2,858)	5,130
Other	(1,040)	(1,127)	(386)
Net cash used in investing activities	(34,751)	(26,356)	(39,148)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance of long-term debt	-	-	722,056
Capital contributions from Parent	4,000	1,465	-
Repayments of long-term debt	(31,475)	(5,188)	(38,338)
Cash paid for financing costs	-	-	(43,280)
Distributions to Parent	(571)	(3,168)	(666,020)
Net cash used in financing activities	(28,046)	(6,891)	(25,582)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	53	142	9
INCREASE (DECREASE) IN CASH	(5,142)	30,163	10
CASH, AT BEGINNING OF PERIOD	30,278	115	105
CASH, AT END OF PERIOD	$ 25,136	$ 30,278	$ 115

The accompanying notes are an integral part of these consolidated statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Domino's, Inc. (Domino's), a Delaware corporation, and its wholly-owned subsidiaries (collectively, the Company). All significant intercompany accounts and transactions have been eliminated. Domino's is a wholly-owned subsidiary of TISM, Inc. (the Parent).

Description of Business

The Company is primarily engaged in the following business activities: (1) retail sales of food through Company-owned stores in the contiguous U.S., (2) sale of food and equipment to Company-owned and franchised stores through Company-owned distribution centers, and (3) receipt of royalties and fees relating to support of domestic and international franchised stores.

Parent's Recapitalization

On December 21, 1998, the Parent effected a merger with TM Transitory Merger Corporation (TMTMC) in a leveraged recapitalization transaction whereby TMTMC was merged with and into the Parent with the Parent being the surviving entity (the Recapitalization). TMTMC had no operations and was formed solely for the purpose of effecting the Recapitalization. As part of the Recapitalization, the Company incurred significant debt and distributed significantly all of the proceeds to the Parent, which used those proceeds, along with proceeds from the Parent's issuance of two classes of common stock and one class of preferred stock, to fund the purchase of 93% of the outstanding common stock of the Parent from a Company and Parent Director and certain members of his family.

During 1999, the Company distributed an additional $3.2 million to the Parent, which used the proceeds to satisfy a Recapitalization-related obligation to a Company and Parent Director and certain members of his family.

As part of the Recapitalization, the Company entered into a $5.5 million, ten year consulting agreement with a Company and Parent Director and former majority Parent stockholder. The Company paid $500,000 and $1.0 million in 2000 and 1999, respectively, under this agreement and will pay the remaining $4.0 million ratably over eight years beginning in 2001. The $5.5 million was recorded as a charge to retained earnings (deficit) as a component of purchase price for the common stock.

Prior to December 1998, Domino's was an indirectly wholly-owned subsidiary of Domino's Pizza LLC (formerly known as Domino's Pizza, Inc.) (DPLLC). During December 1998 and before the Recapitalization, DPLLC distributed its ownership interest in Domino's to the Parent. The Parent then contributed its ownership interest in DPLLC, which had been a wholly-owned subsidiary of the Parent, to Domino's, effectively converting Domino's from a subsidiary of DPLLC into DPLLC's parent.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

The accompanying consolidated financial statements and these Notes to Consolidated Financial Statements include the results of operations of DPLLC and its wholly-owned subsidiaries (including Domino's) for the periods prior to the Recapitalization.

Domino's amended its charter in December 1998 to increase the total number of authorized shares of common stock from 1,000 to 3,000 and decreased the par value of these shares from $1.00 per share to $0.01 per share.

Fiscal Year

The Company's fiscal year ends on the Sunday closest to December 31. The 2000 fiscal year ended December 31, 2000; the 1999 fiscal year ended January 2, 2000; and the 1998 fiscal year ended January 3, 1999. Each of the fiscal years consists of fifty-two weeks except for fiscal year 1998 which consists of fifty-three weeks.

Inventories

Inventories are valued at the lower of cost (on a first-in, first-out basis) or market.

Inventories at December 31, 2000 and January 2, 2000 are comprised of the following (in thousands):

	2000	1999
Equipment and supplies	$ 4,551	$ 5,659
Food	15,781	14,641
	20,332	20,300
Less- Reserves	1,246	1,676
Inventories	$19,086	$18,624

Notes Receivable

During the normal course of business, the Company may provide financing to franchisees (i) to stimulate franchise store growth, (ii) to finance the sale of Company-owned stores to franchisees, or (iii) to facilitate new equipment rollouts. Substantially all of the related notes receivable require monthly payments of principal and interest, or monthly payments of interest only, generally ranging from 10% to 12%, with balloon payments of the remaining principal due one to ten years from the original issuance date. Such notes are generally secured by the assets sold. In financing these transactions, the Company derives benefits other than interest income. Given the nature of these borrower/lender relationships, the Company, in essence, makes its own market in these notes. The carrying amounts of these notes approximate fair value.

During 1998, the Company modified certain criteria used to determine the allowance for bad debts for notes receivable. As a result of this change, the Company recognized a non-recurring benefit of approximately $3.7 million during 1998. This benefit is included in general and administrative expense.

Property, Plant and Equipment

Additions to property, plant and equipment are recorded at cost. Depreciation for financial reporting purposes is provided using the straight-line method over the estimated useful lives of the related assets. During 1998, asset lives were generally three to seven years for equipment, twenty years for buildings and improvements and five years or the term of the lease including renewal options, whichever is shorter, for leasehold and other improvements.

The Company initiated a review of the estimated useful lives for depreciating or amortizing property, plant and equipment and goodwill, respectively. The review included consideration of the estimated lives of stores as determined primarily through quantitative analysis and analysis of the historical longevity of operating assets used in operations. The Company concluded the review in the first quarter of 1999.

Based on this review, the Company modified the useful lives for several asset categories. For equipment, estimated useful lives were extended for certain assets from seven years to either ten or twelve years and were shortened for other assets, primarily computer equipment, from either five or seven years to three years. For leasehold improvements, estimated useful lives were extended from five years to ten years. For goodwill, which primarily arises from purchases of stores from franchisees, estimated useful lives were shortened in certain circumstances to ten years.

These changes in useful lives are being applied on a prospective basis to existing assets and will be applied to assets acquired in the future. These changes in accounting estimates have been effected as of the beginning of 1999, resulting in increases in income from operations and net income as follows (in thousands):

	2000	1999
Net impact of changes in useful lives	$ 4,466	$ 5,616
Non-recurring charge to eliminate assets which had no remaining useful lives	-	(1,025)
Increase in income from operations	4,466	4,591
Income tax effect	(1,786)	(1,676)
Increase in net income	$ 2,680	$ 2,915

Depreciation expense was approximately $14.1 million, $11.9 million and $16.6 million in 2000, 1999 and 1998, respectively.

Investments in Marketable Securities

Investments in marketable securities include investments in mutual funds made by eligible individuals under our deferred compensation plan, which began in 1999 (Note 5). These investments are stated at aggregate fair value, are restricted and have been placed in a "rabbi trust" whereby the amounts are irrevocably set aside to fund the Company's obligations under our deferred compensation plan.

Prior to 2000, the Company classified marketable securities as available-for-sale. Unrealized gains as of January 2, 2000 were $329,000, net of tax. Realized gains and losses are determined using the specific identification method. Beginning in 2000, the Company reclassified all investments in marketable securities as trading and recognized the related unrealized gains during 2000.

Deferred Financing Costs

Deferred financing costs include debt issuance costs primarily incurred by the Company as part of the Recapitalization. Amortization is provided using the effective interest rate method over the terms of the respective debt instruments to which the costs relate and is included in interest expense. Amortization of deferred financing costs was approximately $6.0 million, $6.1 million and $388,000 in 2000, 1999 and 1998, respectively.

As part of the Recapitalization, the Company paid financing costs to affiliates of the Parent stockholders of approximately $21.1 million. Approximately $14.4 million of these expenditures were treated by the Company as capitalizable deferred financing costs while approximately $6.7 million of these expenditures were made on behalf of the Parent and were treated as distributions to the Parent.

Goodwill and Covenants Not-to-Compete

Goodwill arising primarily from franchise acquisitions has been recorded at cost and is being amortized using the straight-line method over periods not exceeding ten years. Amortization of goodwill was approximately $2.3 million, $2.1 million and $2.0 million in 2000, 1999 and 1998, respectively.

Covenants not-to-compete, primarily obtained as a part of the Recapitalization, have been recorded at cost and are being amortized using an accelerated method over a three year period for the covenant not-to-compete with a Company and Parent Director and former majority Parent stockholder. Other covenants not-to-compete are being amortized using the straight-line method over periods not exceeding ten years. Amortization of covenants not-to-compete was approximately $11.2 million, $33.1 million and $2.2 million in 2000, 1999 and 1998, respectively.

Capitalized Software

Capitalized software is recorded at cost and includes purchased, internally developed and externally developed software used in the Company's operations. Amortization for financial reporting purposes is provided using the straight-line method over the estimated useful lives of the software, which range from two to seven years. Amortization expense was approximately $5.9 million, $4.4 million and $2.0 million in 2000, 1999 and 1998, respectively.

Other Assets

Other assets primarily include equity investments in international franchisees, deposits and other intangibles primarily arising from franchise acquisitions. Amortization of other intangibles is provided using the straight-line method over the estimated useful lives of the amortizable assets. Amortization expense was approximately $94,000, $241,000 and $376,000 in 2000, 1999 and 1998, respectively.

Other Accrued Liabilities

Current and long-term other accrued liabilities primarily include accruals for sales, income and other taxes, legal matters, marketing and advertising expenses, equipment warranty expenses, store operating expenses, deferred revenues, deferred compensation and a consulting fee payable to a Company and Parent Director and former majority Parent stockholder.

Revenue Recognition

Corporate store revenues are comprised of retail sales of food through Company-owned stores located in the contiguous U.S. and are recognized when the food is delivered to or carried out by customers.

Domestic franchise royalties are primarily comprised of royalties and fees from franchisees with operations in the contiguous U.S. and are recognized as revenue when earned.

Domestic distribution revenues are comprised of sales of food, equipment and supplies to franchised stores located in the contiguous U.S. and are recognized as revenue upon shipment of the related products to franchisees.

International revenues are primarily comprised of sales of food and royalties and fees from foreign, Alaskan and Hawaiian franchisees and are recognized consistently with the policies applied for revenues generated in the contiguous U.S.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense, which relates primarily to Company-owned stores, was approximately $38.1 million, $37.8 million and $41.2 million during 2000, 1999 and 1998, respectively.

Insurance Programs

The Company is partially self-insured for property and health insurance risks and, for periods up to December 20, 1998, was partially self-insured for workers' compensation, general liability and owned and non-owned automobile programs.

The Company's health insurance program provides coverage for life, medical, dental and accidental death and dismemberment (AD&D) claims. Self-insurance limitations for medical and dental per a covered individual's lifetime were $2.0 million in 2000, 1999 and 1998. The AD&D and life insurance components of the health insurance program are fully insured by the Company through third-party insurance carriers.

Effective July 1, 1996 through December 19, 1998, the self-insurance limitations per occurrence for the workers' compensation, general liability and owned and non-owned automobile programs were $500,000, plus a one-time otherwise recoverable amount of $500,000 in excess of $500,000 on the combined general liability, owned and non-owned automobile programs for each policy year, except for the period from July 1, 1998 through December 19, 1998 for which there was no otherwise recoverable amount.

Total excess insurance limits for all partially self-insured periods were $105.0 million per occurrence for the general liability and owned and non-owned automobile programs and up to the applicable statutory limits for workers' compensation.

Self-insurance reserves are determined using actuarial estimates. These estimates are based on historical information along with certain assumptions about future events. Changes in assumptions for such factors as medical costs and legal actions, as well as changes in actual experience, could cause these estimates to change in the near term. In management's opinion, the accrued insurance reserves at December 31, 2000 are sufficient to cover potential aggregate losses.

During December 1998, the Company entered into a guaranteed cost, combined casualty insurance program that is effective for the period December 20, 1998 to December 20, 2001. The new program covers insurance claims on a first dollar basis for workers' compensation, general liability and owned and non-owned automobile liability. Total insurance limits under this program are $106.0 million per occurrence for general liability and owned and non-owned automobile liability and up to the applicable statutory limits for workers' compensation.

Foreign Currency Translation

The Company's foreign entities use their local currency or the U.S. dollar as the functional currency, in accordance with the provisions of Statement of Financial Accounting Standards (SFAS) No. 52, "Foreign Currency Translation." Where the functional currency is the local currency, the Company translates net assets into U.S. dollars at yearend exchange rates, while income and expense accounts are translated at average exchange rates. Translation adjustments are included in accumulated other comprehensive income and other foreign currency transaction gains and losses are included in determining net income.

Financial Derivatives

During 1999, the Company entered into two interest rate swap agreements (the 1999 Swap Agreements) to effectively convert the Eurodollar component of the effective interest rate on a portion of the Company's debt under Term Loans A, B and C (Note 2) to a fixed rate of 5.12% beginning in January 1999 and continuing through December 2001, in an effort to reduce the impact of interest rate changes on income. The total notional amount under the 1999 Swap Agreements is initially $179.0 million and decreases over time to a total notional amount of $167.0 million in December 2001. As of December 31, 2000, management estimates the fair value of the 1999 Swap Agreements to be an asset of approximately $2.7 million.

As a result of generating royalty revenues from franchised operations in Japan, the Company is exposed to the effect of exchange rate fluctuations between the Japanese yen and U.S. dollar. Using foreign currency forward contracts enables management to minimize the effect of a fluctuating Japanese yen on reported income. During 1999 and 1998, the Company entered into contracts to sell 30 million Japanese yen every four weeks during the respective following fiscal year. During 1997, the Company entered into contracts to sell 35 million Japanese yen every four weeks during 1998.

Gains and losses with respect to these contracts are recognized in income at each balance sheet date based on the exchange rate in effect at that time. No significant gains or losses were recognized under these contracts during 2000, 1999 and 1998. The carrying value of the foreign currency forward contracts outstanding as of January 2, 2000 approximates fair value. As of December 31, 2000, the Company had no foreign currency forward contract commitments and had no foreign currency forward contracts outstanding.

Accounting for Derivative Instruments and Hedging Activities

The Financial Accounting Standards Board has issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities", and two related Statements which require that an entity recognize all derivatives as either assets or liabilities in the balance sheet and measure those instruments at fair value. The Company adopted these Statements on January 1, 2001. Adoption of these Statements resulted in the recognition of an approximately $2.7 million derivative asset relating to the fair value of the Company's 1999 Swap Agreements which the Company has designated as cash flow hedges.

Supplemental Disclosures of Cash Flow Information

The Company paid interest of approximately $69.9 million, $56.7 million and $4.6 million during 2000, 1999 and 1998, respectively. Additionally, cash paid for Federal income taxes was approximately $4.7 million, $5.1 million and $2.7 million in 2000, 1999 and 1998, respectively.

During 1998, the Company made non-cash distributions to the Parent of approximately $16.6 million representing the Company's investment in a related party limited partnership and approximately $2.6 million representing various leaseholds and other assets. The Company also assumed a $5.5 million consulting agreement liability from the Parent during 1998.

During 2000, the Company financed the sale of certain Company-owned stores to franchisees with approximately $5.6 million of notes, including $4.4 million of notes to a former minority Parent stockholder.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain amounts from fiscal 1999 and 1998 have been reclassified to conform to the fiscal 2000 presentation.

(2) FINANCING ARRANGEMENTS

At December 31, 2000 and January 2, 2000, long-term debt consisted of the following (in thousands):

	2000	1999
Term Loan A (see below)	$159,961	$174,424
Term Loan B (see below)	130,349	133,878
Term Loan C (see below)	130,622	134,017
Notes to franchisees, interest ranging from 5.8% to 6.1%, maturing through 2004	142	251
Senior subordinated notes, 10 3/8% (see below)	265,000	275,000
	686,074	717,570
Less- current portion	21,482	21,438
	$664,592	$696,132

On December 21, 1998, Domino's and a subsidiary entered into a new credit agreement (the 1998 Agreement) with a consortium of banks primarily to finance a portion of the Recapitalization, to repay existing indebtedness under a previous credit agreement and to provide available borrowings for use in the normal course of business.

The 1998 Agreement provides the following credit facilities: three term loans (Term Loan A, Term Loan B and Term Loan C) and a revolving credit facility (the Revolver). The aggregate borrowings available under the 1998 Agreement are $545 million.

The 1998 Agreement provides for borrowings of $175 million under Term Loan A, $135 million under Term Loan B and $135 million under Term Loan C. Under the terms of the 1998 Agreement, the borrowings under Term Loans A, B and C bear interest, payable at least quarterly, at either (i) the higher of (a) the specified bank's prime rate (9.5% at December 31, 2000) and (b) 0.5% above the Federal Reserve reported overnight funds rate, each plus an applicable margin of between 0.50% to 2.75% or (ii) the Eurodollar rate (6.56% at December 31, 2000) plus an applicable margin of between 1.50% to 3.75%, with margins determined based upon the Company's ratio of indebtedness to earnings before interest, taxes, depreciation and amortization (EBITDA), as defined. At December 31, 2000, the Company's effective borrowing rates were 9.06%, 10.06% and 10.31% for Term Loans A, B and C, respectively. As of December 31, 2000, all borrowings under Term Loans A, B and C were under Eurodollar contracts with interest periods of 60 days. Principal payments are required under Term Loans A, B and C, commencing at varied dates and continuing quarterly thereafter until maturity. The final scheduled principal payments on the outstanding borrowings under Term Loans A, B and C are due in December 2004, December 2006 and December 2007, respectively.

The 1998 Agreement also provides for borrowings of up to $100 million under the Revolver, of which up to $35.0 million is available for letter of credit advances and $10.0 million is available for swing-line loans. Borrowings under the Revolver (excluding the letters of credit and swing-line loans) bear interest, payable at least quarterly, at either (i) the higher of (a) the specified bank's prime rate and (b) 0.5% above the Federal Reserve reported overnight funds rate, each plus an applicable margin of between 0.50% to 2.00% or (ii) the Eurodollar rate plus an applicable margin of between 1.50% to 3.00%, with margins determined based upon the Company's ratio of indebtedness to EBITDA, as defined. Borrowings under the swing-line portion of the Revolver bear interest, payable at least quarterly, at the higher of (a) the specified bank's prime rate or (b) 0.5% above the Federal Reserve reported overnight funds rate, each plus an applicable margin of between 0.50% to 2.00% based upon the Company's ratio of indebtedness to EBITDA, as defined. The Company also pays a commitment fee on the unused portion of the Revolver ranging from 0.25% to 0.50%, determined based upon the Company's ratio of indebtedness to EBITDA, as defined. At December 31, 2000 the commitment fee for such unused borrowings is 0.50%. The fee for letter of credit amounts outstanding at December 31, 2000 is 2.75%. As of December 31, 2000, there is $85.8 million in available borrowings under the Revolver, with $14.2 million of letters of credit outstanding. There are no borrowings outstanding under the swing-line portion of the Revolver. The Revolver expires in December 2004.

The credit facilities included in the 1998 Agreement are (i) guaranteed by the Parent, (ii) jointly and severally guaranteed by each of Domino's domestic subsidiaries, and (iii) secured by a first priority lien on substantially all of the assets of the Company.

The 1998 Agreement contains certain financial and non-financial covenants that, among other restrictions, require the maintenance of minimum interest coverage ratios and consolidated adjusted EBITDA and maximum leverage ratios, all as defined in the 1998 Agreement, and restrict the Company's ability to pay dividends on or redeem or repurchase the Company's capital stock, incur additional indebtedness, issue preferred stock, make investments, use assets as security in other transactions and sell certain assets or merge with or into other companies.

On December 21, 1998, Domino's issued $275 million of 10 3/8% Senior Subordinated Notes due 2009 (the Notes) requiring semi-annual interest payments, which began July 15, 1999. Prior to January 15, 2002, the Company may redeem, at a fixed price, up to 35% of the Notes with the proceeds of equity offerings, if any, by the Parent or the Company. Before January 15, 2004, Domino's may redeem all, but not part, of the Notes if a change in control occurs, as defined in the Notes. Beginning January 15, 2004, Domino's may redeem some or all of the Notes at fixed redemption prices, ranging from 105.19% of par in 2004 to 100% of par in 2007 through maturity. In the event of a change in control, as defined, the Company will be obligated to repurchase Notes tendered by the holders at a fixed price. The Notes are guaranteed by each of Domino's domestic subsidiaries (non-domestic subsidiaries do not represent a material amount of revenues and assets) and are subordinated in right of payment to all existing and future senior debt of the Company.

In 2000, the Company amended the 1998 Agreement whereby a basket of funds not to exceed $30.0 million was designated for the early retirement of Notes at the Company's option. The Company subsequently retired $10.0 million of the Notes during 2000 through open market transactions using funds generated from operations. These retirements resulted in an after-tax extraordinary gain of approximately $181,000, which is net of approximately $207,000 in 1998 Agreement amendment fees and $583,000 in deferred financing cost amortization expense.

The indenture related to the Notes restricts Domino's and its restricted subsidiaries from, among other restrictions, paying dividends or redeeming equity interests (including those of the Parent), with certain specified exceptions, unless a minimum fixed charge coverage ratio is met and, in any event, such payments are limited to 50% of cumulative net income of the Company from January 4, 1999 to the payment date plus the net proceeds from any capital contributions or the sale of equity interests.

In 1998, the Company received $20 million under Term Loans B and C from a stockholder of the Parent. The Company also issued $20 million of the Notes to this stockholder. During 1999, the stockholder reduced its holdings in Term Loans B and C to $17.9 million. Interest expense to this stockholder related to the Term Loans B and C and the Notes was $3.4 million in 1999. During 2000, the stockholder reduced its holdings in Term Loans B and C to $6.4 million and increased its holdings in the Notes to $22.0 million. Interest expense to this stockholder related to Term Loans B and C and the Notes was $3.4 million in 2000.

As of December 31, 2000, management estimates the fair value of the Notes to be approximately $222.6 million. The carrying amounts of the Company's other debt approximate fair value.

As of December 31, 2000, maturities of long-term debt are as follows (in thousands):

2001	$ 21,482
2002	33,596
2003	48,035
2004	65,844
2005	63,321
Thereafter	453,796
	$686,074

(3) COMMITMENTS AND CONTINGENCIES

Lease Commitments

The Company leases equipment, vehicles, store and commissary locations and its corporate headquarters under operating leases with expiration dates through 2016. Rent expenses totaled approximately $23.1 million, $23.5 million and $27.4 million during 2000, 1999 and 1998, respectively. As of December 31, 2000, the future minimum rental commitments for all noncancellable leases, which include approximately $13.6 million in commitments to related parties and is net of approximately $3.9 million in future minimum rental commitments which have been assigned to certain franchisees, are as follows (in thousands):

2001	$ 26,792
2002	22,129
2003	19,395
2004	11,344
2005	8,207
Thereafter	22,046
	$109,913

Legal Proceedings and Related Matters

The Company is a party to lawsuits, revenue agent reviews by taxing authorities and legal proceedings, of which the majority involve workers' compensation, employment practices liability, general liability, and automobile and franchisee claims arising in the ordinary course of business. In the opinion of the Company's management, these matters, individually and in the aggregate, will not have a material adverse effect on the financial condition and results of operations of the Company, and the established reserves adequately provide for the estimated resolution of such claims.

(4) INCOME TAXES

As a result of the Recapitalization, the Parent, Domino's and its qualifying subsidiaries reverted to C Corporation status effective December 21, 1998 and filed a consolidated Federal income tax return. The Company records its Federal income tax provision, related income tax liability and deferred income taxes as if it files its own consolidated Federal income tax return in accordance with a December 1998 tax-sharing agreement.

Prior to the Recapitalization, certain Domino's subsidiaries sold certain tangible and intangible assets to another Domino's subsidiary, which had revoked its S Corporation election. The gain on this transaction, while not reflected for financial reporting purposes, resulted in a deferred tax asset to the Company of $54 million due to the difference in book and tax bases. This amount was initially credited directly to retained earnings (deficit).

The differences between the United States Federal statutory income tax provision (using the statutory rate of 35%) and the Company's consolidated income tax provision (benefit) for 2000, 1999 and 1998 (only two weeks of which was a C Corporation period) are summarized as follows (in thousands):

	2000	1999	1998
Federal income tax provision based on the statutory rate	$ 14,384	$ 876	$ 22,382
State and local taxes, net of related Federal income taxes	1,668	909	1,594
Non-resident withholding and foreign income taxes	3,382	2,792	2,530
Non-deductible expenses	351	374	578
Foreign tax and other tax credits	(3,709)	(3,064)	(2,885)
Losses attributable to foreign subsidiaries	389	505	-
Tax reserves, net of related Federal income taxes in 1999	700	(2,925)	10,000
Tax effect of conversion to C Corporation	-	1,001	(27,905)
Exclusion of income earned during S Corporation period in 1998	-	-	(18,900)
Other	(1,092)	(49)	(322)
	$ 16,073	$ 419	$(12,928)

The components of the 2000, 1999 and 1998 provision (benefit) for income taxes are as follows (in thousands):

	2000	1999	1998
Provision (benefit) for Federal income taxes-			
Current provision	$ 4,084	$ 2,630	$ 8,996
Deferred provision (benefit)	7,222	(1,901)	(26,907)
Total provision (benefit) for Federal income taxes	11,306	729	(17,911)
Provision (benefit) for state and local income taxes-			
Current provision (benefit)	5,725	(3,054)	3,133
Deferred benefit	(4,340)	(48)	(680)
Provision for non-resident withholding and foreign income taxes	3,382	2,792	2,530
	$ 16,073	$ 419	$(12,928)

Realization of the Company's deferred tax assets is dependent upon many factors, including, but not limited to, the ability of the Company to generate sufficient taxable income. Although realization of the Company's deferred tax assets is not assured, management believes it is more likely than not that the deferred tax assets will be realized. On an ongoing basis, management will assess whether it remains more likely than not that the deferred tax assets will be realized.

Significant components of net deferred income taxes are as follows (in thousands):

	2000	1999
Deferred Federal income tax assets-		
Step-up of basis on subsidiaries sale of certain assets	$42,109	$45,390
Covenants not-to-compete	13,253	10,605
Self-insurance reserves	5,270	7,067
Accruals and other reserves	7,062	8,559
Bad debt reserves	2,289	2,080
Depreciation, amortization and asset basis differences	3,645	6,654
Deferred revenues	2,655	1,517
Other	2,295	2,897
	78,578	84,769
Deferred Federal income tax liabilities-		
Capitalized development costs	4,560	2,922
Other	8	504
	4,568	3,426
Net deferred Federal income tax asset	74,010	81,343
Net deferred state income tax asset	6,533	2,193
Net deferred income taxes	$80,543	$83,536

As of December 31, 2000, the classification of net deferred income taxes is summarized as follows (in thousands):

	Current	Long-term	Total
Deferred tax assets	$ 9,290	$ 76,017	$ 85,307
Deferred tax liabilities	-	(4,764)	(4,764)
Net deferred income taxes	$ 9,290	$ 71,253	$ 80,543

As of January 2, 2000, the classification of net deferred income taxes is summarized as follows (in thousands):

	Current	Long-term	Total
Deferred tax assets	$ 10,990	$ 75,972	$ 86,962
Deferred tax liabilities	(492)	(2,934)	(3,426)
Net deferred income taxes	$ 10,498	$ 73,038	$ 83,536

(5) EMPLOYEE BENEFITS

The Company has a deferred salary reduction plan which qualifies under Internal Revenue Code Section 401(k). All employees of the Company who have completed 1,000 hours of service and are at least 21 years of age are eligible to participate in the plan. The plan requires the Company to match 50% of the first 6% of employee contributions per participant. These matching contributions vest immediately. The charges to operations for Company contributions to the plan were $2.2 million, $2.5 million and $2.4 million for 2000, 1999 and 1998, respectively.

Effective January 4, 1999, the Company established a nonqualified deferred compensation plan available for the members of the Company's executive team and certain other key employees. Under this plan, the participants may defer up to 40% of their annual compensation. The plan requires the Company to match 30% with respect to the first 25%, 20% or 15% of participant salary deferrals, depending on the employee. The plan requires the Company to credit the participants' accounts following each pay period. The Company may be required to make supplemental contributions to participants' accounts depending on the earnings of the Company as defined in the plan. The participants direct the investment of their deferred compensation within several mutual funds. The Company contributions to this plan were $905,000 in 1999 and are included in general and administrative expense. In 1999, the Company amended the plan to eliminate the Company match and supplemental contributions beginning in 2000.

(6) FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK

The Company is party to stand-by letters of credit with off-balance sheet risk. The Company's exposure to credit loss for stand-by letters of credit and financial guarantees is represented by the contractual amount of these instruments. The Company uses the same credit policies in making conditional obligations as it does for on-balance sheet instruments. Total conditional commitments under letters of credit as of December 31, 2000 are $14.2 million.

(7) RELATED PARTY TRANSACTIONS

Leases

The Company leases its corporate headquarters under a long-term operating lease agreement with a partnership owned by a Company and Parent Director and former majority Parent stockholder. The current lease, dated December 21, 1998, replaced a previous lease agreement with the same partnership. The Company also leased two commissary locations from partnerships owned by this Company and Parent Director and former majority Parent stockholder and his family during 1997 and until August 1998 when the Company purchased the commissaries and terminated the respective leases. Total lease expense for the aforementioned leases was $4.4 million, $4.4 million and $13.6 million for 2000, 1999 and 1998, respectively, the majority of which is included in general and administrative expense.

Aggregate future commitments under these leases are as follows (in thousands):

2001	$ 4,486
2002	4,606
2003	4,544
Thereafter	-
	$13,636

Charitable Contributions

In 1998, the Company made contributions of approximately $7.7 million to a charitable foundation founded and operated by a Company and Parent Director and former majority Parent stockholder. There were no Company contributions made to this foundation in 2000 or 1999.

Covenant Not-to-Compete

As part of the Recapitalization, the Parent entered into a covenant not-to-compete with a Company and Parent Director and former Parent majority stockholder. The Parent contributed this asset to the Company during 1998. The Company has capitalized the $50.0 million paid in consideration for the covenant not-to-compete and is amortizing this amount over the three-year term of the covenant using an accelerated amortization method. Amortization expense was approximately $10.9 million, $32.5 million and $1.3 million in 2000, 1999 and 1998, respectively.

Management Agreement and Consulting Services

As part of the Recapitalization, the Parent and its subsidiaries (collectively, the Group) entered into a management agreement with an affiliate of a stockholder of the Parent to provide the Group with certain management services. The Company is committed to pay an amount not to exceed $2.0 million per year on an ongoing basis for management services as defined in the management agreement. In addition to the management services, the Company engaged another affiliate to provide consulting services during 2000 and 1999. In 2000, the Company incurred $2.0 million for management services and $688,000 for consulting services. In 1999, the Company incurred $2.0 million for management services and $2.2 million for consulting services. Furthermore, the Group must allow the affiliate to participate in the negotiation and consummation of future senior financing and pay the affiliate a fee, as defined in the management agreement.

Shareholder Indemnification of Legal Settlement

In 2000, the Company settled a lawsuit that was outstanding at January 2, 2000 in which the Company agreed to pay the plaintiffs $5.0 million for a full release of all related claims. This amount was recorded in general and administrative expense in 1999. The Company also recorded a related $1.8 million benefit for income taxes. Additionally, a Company and Parent Director and former majority Parent stockholder agreed to indemnify the Parent and paid the Parent $4.0 million in 2000. The Parent then contributed the $4.0 million to the Company. The Company recorded the $4.0 million as a capital contribution as of January 2, 2000.

(8) RESTRUCTURING

In 1999, the Company recognized approximately $7.6 million in restructuring charges comprised of staff reduction costs of $6.3 million and exit cost liabilities of $1.3 million. The staff reduction costs were incurred during the second, third and fourth quarters, in connection with the reduction of 90 corporate and administrative employees. As of December 31, 2000, the Company had paid substantially all of the staff reduction costs.

The exit costs were recorded in the fourth quarter of 1999 in connection with the planned closure and relocation of 50 specifically identified Company-owned stores. The exit cost liability is comprised of the operating lease obligations after the expected closure dates and related leased premises restoration costs. As of December 31, 2000, approximately $600,000 of the exit cost liabilities had been paid. Management expects that additional exit cost liabilities of approximately $744,000 will be paid as relocation obligations become due.

(9) SEGMENT INFORMATION

The Company has three reportable segments as determined by management using the "management approach" as defined in SFAS No. 131, "Disclosures About Segments of an Enterprise and Related Information": (1) Domestic Stores, (2) Domestic Distribution and (3) International. The Company's operations are organized by management on the combined bases of line of business and geography. The Domestic Stores segment includes Company operations with respect to all franchised and Company-owned stores throughout the contiguous United States. The Domestic Distribution segment includes the distribution of food, equipment and supplies to franchised and Company-owned stores throughout the contiguous United States. The International segment primarily includes Company operations related to its franchising business in foreign and non-contiguous United States markets and its food distribution business in Canada, France, Alaska and Hawaii.

The accounting policies of the reportable segments are the same as those described in Note 1. The Company evaluates the performance of its segments and allocates resources to them based on EBITDA.

The tables below summarize the financial information concerning the Company's reportable segments for 2000, 1999 and 1998. Intersegment Revenues are comprised of sales of food, equipment and supplies from the Domestic Distribution segment to the Company-owned stores in the Domestic Stores segment. Intersegment sales prices are market based. The "Other" column as it relates to EBITDA information below primarily includes corporate headquarter costs that management does not allocate to any of the reportable segments and in 1998 included a Company and Parent Director and former majority Parent stockholder's salary and charitable contributions. The "Other" column as it relates to capital expenditures primarily includes capitalized software and leasehold improvements that management does not allocate to any of the reportable segments. All amounts presented below are in thousands.

	Domestic Stores	Domestic Distribution	International	Intersegment Revenues	Other	Total
Revenues-						
2000	$498,579	$707,224	$63,405	$(103,128)	$ -	$1,166,080
1999	494,796	704,970	58,402	(101,529)	-	1,156,639
1998	521,635	716,802	56,022	(117,681)	-	1,176,778
EBITDA-						
2000	132,859	35,681	15,190	-	(36,434)	147,296
1999	138,101	29,302	11,513	-	(47,861)	131,055
1998	123,467	17,972	9,656	-	(56,133)	94,962
Capital Expenditures-						
2000	17,439	7,720	1,393	-	11,351	37,903
1999	11,333	5,319	985	-	10,245	27,882
1998	20,564	6,439	249	-	21,107	48,359

The following table reconciles total EBITDA to consolidated income before provision (benefit) for income taxes and extraordinary item:

	2000	1999	1998
Total EBITDA	$147,296	$131,055	$ 94,962
Depreciation and amortization	(33,604)	(51,743)	(23,123)
Interest expense	(75,217)	(74,116)	(7,051)
Interest income	3,961	992	730
Legal settlement expense indemnified by a Parent stockholder	-	(4,000)	-
Gain (loss) on sale of plant and equipment	(1,338)	316	(1,570)
Income before provision (benefit) for income taxes and extraordinary item	$ 41,098	$ 2,504	$ 63,948

The following table presents the Company's identifiable asset information for 2000 and 1999 and a reconciliation to total consolidated assets:

	2000	1999
Domestic Stores	$146,553	$139,119
Domestic Distribution	57,673	58,949
Contiguous United States	204,226	198,068
International	17,542	15,966
Unallocated Assets	147,861	167,096
Total Consolidated Assets	$369,629	$381,130

Unallocated assets include assets that management does not attribute to the reportable segments above and primarily includes investments in marketable securities, deferred financing costs, deferred income taxes, the covenant not-to-compete obtained as part of the Recapitalization and capitalized software.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

(10) PERIODIC FINANCIAL DATA
(Unaudited; in thousands)

The Company's convention with respect to reporting periodic financial data is such that each of the first three fiscal quarters consists of twelve weeks while the last fiscal quarter presented consists of sixteen or seventeen weeks depending on the number of weeks in the fiscal year (Note 1).

	Twelve Weeks Ended			Sixteen Weeks Ended
	March 26, 2000	June 18, 2000	September 10, 2000	December 31, 2000
Total revenues	$266,918	$266,890	$267,826	$364,446
Income before provision (benefit) for income taxes and extraordinary item	8,803	9,509	8,663	14,123
Net income	5,047	5,420	4,758(6)	9,981(7)

	Twelve Weeks Ended			Sixteen Weeks Ended
	March 28, 1999	June 20, 1999	September 12, 1999	January 2, 2000
Total revenues	$260,768	$256,112	$271,903	$367,856
Income (loss) before provision (benefit) for income taxes	381	2,857(1)	1,432(2)	(2,166)(3)
Net income (loss)	229	4,347(4)	754	(3,245)(5)

(1) Includes $1.6 million of restructuring charges.
(2) Includes $2.0 million of restructuring charges.
(3) Includes $4.0 million of restructuring charges and $5.0 million relating to the settlement of a lawsuit subsequent to yearend.
(4) Includes $2.9 million state tax reserve reversal, net of federal tax.
(5) Includes $1.0 million net tax provision resulting from S to C Corporation conversion.
(6) Includes $181,000 extraordinary loss on debt extinguishment.
(7) Includes $362,000 extraordinary gain on debt extinguishment.

(11) PRO FORMA FINANCIAL DATA
(Unaudited; In thousands)

The following unaudited pro forma financial data is presented to illustrate the estimated effects on net income if the Company had not elected S Corporation status for substantially all of 1998. Management estimates that the provision for income taxes would have increased and net income would have decreased by approximately $36.8 million in 1998 had the Company remained a C Corporation for that period.

	1998 Company Historical	1998 Pro Forma Adjustments	1998 Pro Forma
Total revenues	$1,176,778	$ -	$1,176,778
Income before provision (benefit) for income taxes	63,948	-	63,948
Provision (benefit) for income taxes	(12,928)	36,805	23,877
Net income	$ 76,876	$(36,805)	$ 40,071
Comprehensive income	$ 76,365	$(36,636)	$ 39,729

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Part III

Item 10. Directors and Executive Officers of the Registrant.

The following is a list of directors for each of TISM and Domino's. All directors of TISM and Domino's serve until a successor is duly elected and qualified or until the earlier of his or her death, resignation or removal. There are no family relationships between any of the directors or executive officers of TISM, Domino's or Domino's Pizza LLC ("Domino's Pizza", Domino's operating subsidiary).

Name	Age
David A. Brandon *	48
Andrew B. Balson	34
Christopher C. Behrens	40
Thomas S. Monaghan	63
Mark E. Nunnelly	42
Robert M. Rosenberg	63
Robert F. White	45

*Chairman of the Board of Directors

The following is a list of each person who is an executive officer of one or more of Domino's, TISM and Domino's Pizza. The executive officers of TISM, Domino's and Domino's Pizza are elected by and serve at the discretion of their respective Board of Directors.

Name	Age	Position
David A. Brandon	48	Chief Executive Officer of each of TISM, Domino's and Domino's Pizza
Harry J. Silverman	42	Chief Financial Officer, Executive Vice President ("EVP"), Finance of Domino's Pizza; Vice President and Treasurer of each of TISM and Domino's.
Patricia A. Wilmot	52	EVP, PeopleFirst of Domino's Pizza
Patrick Knotts	46	EVP, Flawless Execution - Corporate of Domino's Pizza
Hoyt D. Jones, III	43	EVP, Flawless Execution - Franchise of Domino's Pizza
J. Patrick Doyle	37	EVP, International of Domino's Pizza and interim EVP - Build the Brand
Michael D. Soignet	41	EVP, Maintain High Standards - Distribution of Domino's Pizza
Elisa D. Garcia C.	43	EVP, General Counsel and Secretary of Domino's Pizza, Secretary of each of TISM and Domino's
James G. Stansik	45	Special Assistant to the Chairman and Chief Executive Officer
Timothy J. Monteith	48	Chief Information Officer of Domino's Pizza

David A. Brandon has served as Chairman, Chief Executive Officer and as a Director of TISM and Domino's since March 1999. Mr. Brandon has also served as Chairman, Chief Executive Officer and as a Manager of Domino's Pizza since March 1999. Mr. Brandon was President and Chief Executive Officer of Valassis Communications, Inc., a company in the sales promotion and couponing industries, from 1991 to 1998 and Chairman of the Board of Directors of Valassis Communications, Inc. from 1997 to 1998.

Andrew B. Balson has served as a Director of each of TISM and Domino's since March 1999. Mr. Balson has been a Managing Director of Bain Capital since January 2001. Mr. Balson became a Partner of Bain Capital in June 1998, prior to which he was an Associate from 1996 to 1998. From 1994 to 1996, Mr. Balson was a consultant at Bain & Company. Mr. Balson serves on the Board of Managers of Anthony Crane Rental, L.P. and the Board of Directors of Odwalla, Inc.

Christopher C. Behrens has served as a Director of each of TISM and Domino's since October 1999. Mr. Behrens has been General Partner of JP Morgan Capital Partners, LLC and its predecessor, Chase Capital Partners since 1999. Prior to joining Chase Capital Partners, Mr. Behrens served as Vice President in Chase's Merchant Banking Group. Mr. Behrens serves on the Board of Directors of several companies, including Patina Oil & Gas Corporation, and Portola Packaging Inc. as well as a number of private companies.

Thomas S. Monaghan founded Domino's Pizza in 1960 and served as its President and Chief Executive Officer through July 1989 and from December 6, 1991 to December 21, 1998. Mr. Monaghan now serves as a Director of each of TISM and Domino's. Mr. Monaghan has served as a Director of TISM since 1960 and as a Director of Domino's since February 1999. Mr. Monaghan serves on the Board of Directors of several private companies and non-profit organizations.

Mark E. Nunnelly has served as a Director of TISM since December 21, 1998 and as a Director of Domino's since February 1999. Mr. Nunnelly has been a Managing Director of Bain Capital since 1990. Prior to that time, Mr. Nunnelly was a Partner of Bain & Company, where he managed several relationships in the manufacturing sector, and was employed by Procter & Gamble Company Inc. in product management. Mr. Nunnelly serves on the Board of Directors of CTC Communications, Inc. and DoubleClick, Inc., as well as a number of private companies.

Robert M. Rosenberg has served as a Director of each of TISM and Domino's since April 1999. Mr. Rosenberg served as President and Chief Executive Officer of Allied Domecq Retailing, USA from 1993 to August 1999 when he retired. Allied Domecq Retailing, USA is comprised of Dunkin' Donuts, Baskin-Robbins and Togo's Eateries. Mr. Rosenberg also serves on the Board of Directors of Sonic Industries, Inc.

Robert F. White has served as a Director of TISM since December 21, 1998 and as a Director of Domino's since February 1999. Mr. White joined Bain Capital at its inception in 1984. He has been a Managing Director since 1985. Mr. White has served as the Chief Financial Officer and a founder of MediVision, a medical services company founded and financed by Bain Capital. Prior to joining Bain Capital, Mr. White was a Manager at Bain & Company and a Senior Accountant with Price Waterhouse LLP. Mr. White serves on the Board of Directors of Brookstone, Inc., as well as a number of private companies.

Harry J. Silverman has served as Chief Financial Officer, Executive Vice President of Finance and as a Manager of Domino's Pizza since 1993. Mr. Silverman has served as Vice President of each of TISM and Domino's since December, 1998 and as Treasurer of each of TISM and Domino's since February 2000. Mr. Silverman joined Domino's Pizza in 1985 as Controller for the Chicago Regional Office. Mr. Silverman was named National Operations Controller in 1988 and later Vice President of Finance for Domino's Pizza. Mr. Silverman serves on the Board of Directors of Dynagen, Inc.

Patricia A. Wilmot has served as Executive Vice President, PeopleFirst of Domino's Pizza since July 2000. Ms. Wilmot served as Vice President, Human Resources for Brach & Brock Confections from 1998 to July 2000 and as Vice President, Human and Strategic Planning for ACX Technologies from 1996 to 1998. Ms. Wilmot served as Senior Vice President of Human Resources for the Haagen-Dazs Company from 1993 to 1996.

Patrick W. Knotts has served as Executive Vice President of Flawless Execution - Corporate of Domino's Pizza since January 2001. Mr. Knotts served as Senior Vice President of Operations for Mrs. Fields Original Cookie, Inc. from September 1996 to January 2001. Mr. Knotts served in various positions, including Executive Vice President of Operations, at Midial S.A. U.S. Retail Group from January 1992 to September 1996.

Hoyt D. Jones, III has served as Executive Vice President, Flawless Execution - Franchise of Domino's Pizza since December 1999, prior to which he was Regional Vice President of Franchise Operations (Northeast) of Domino's Pizza since August, 1992. Mr. Jones joined Domino's Pizza in 1985.

J. Patrick Doyle has served as Executive Vice President of International of Domino's Pizza since May 1999 and as interim Executive Vice President, Build the Brand since December 2000. Mr. Doyle served as Senior Vice President of Marketing from the time he joined Domino's Pizza in 1997. From 1991 to 1997, Mr. Doyle served as Vice President and General Manager of Gerber Products Company for the United States baby food business and as Vice President and General Manager of their Canadian subsidiary.

Michael D. Soignet has served as Executive Vice President of Maintain High Standards - Distribution of Domino's Pizza, overseeing global distribution center operations since 1993. Mr. Soignet joined the Company in 1981.

Elisa D. Garcia C. has served as Executive Vice President, General Counsel of Domino's Pizza since April 2000. She has also served as Secretary of each of TISM, Domino's and Domino's Pizza since such date. Ms. Garcia was Regional Counsel for Philip Morris International Inc.'s northern Latin America Region from 1998 to April 2000, prior to which she was Assistant Regional Counsel for Latin America since 1994.

James G. Stansik has served as Special Assistant to the Chairman and Chief Executive Officer since August 1999. Mr. Stansik also served as interim Executive Vice President, Flawless Execution - Corporate of Domino's Pizza from July 2000 through January 2001. Mr. Stansik was Senior Vice President of Franchise Administration from 1994 through August 1999. Mr. Stansik joined the Company in 1985.

Timothy J. Monteith has served as Chief Information Officer and Executive Vice President of Domino's Pizza since October 1999. Mr. Monteith served as the Senior Vice President of Information Services and Administration of Domino's Pizza from 1992-1999. From 1988 to 1992, Mr. Monteith was the Chief Operating Officer and Executive Vice President of Thomas S. Monaghan, Inc. Mr. Monteith served as Vice President and then President of T and B Computing of Ann Arbor, Michigan, from 1981 to 1988.

Item 11. Executive Compensation.

The following table sets forth information concerning the compensation for the fiscal year ended December 31, 2000 of David A. Brandon, Chairman and Chief Executive Officer, and the four other most highly compensated executive officers of the Company (collectively, the "Named Executive Officers").

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary	Bonus(1)	Other Annual Compensation(2)	Long Term Compensation Securities Underlying Options(3)	All Other Compensation(4)
David A. Brandon -	2000	$600,000	$ 805,000	35	-	1,575
Chairman and Chief	1999	475,385	712,500	22	1,512,516	842
Executive Officer (5)						
Harry J. Silverman	2000	309,122	345,696	105	-	4,956
Chief Financial	1999	264,373	311,167	115	550,000	41,599
Officer, Executive	1998	268,578	3,076,538	866	111,111	55,656
Vice President						
Michael D. Soignet	2000	284,185	300,692	79	-	4,346
Executive Vice	1999	242,637	285,305	127	500,000	37,606
President	1998	246,496	1,832,497	912	111,111	59,276
J. Patrick Doyle	2000	241,885	275,473	15	-	6,017
Executive Vice	1999	196,158	232,660	3	250,000	4,200
President	1998	162,564	47,785	4	-	21,909

James G. Stansik	2000	199,815	225,683	15	-	12,503
Special Assistant	1999	188,705	224,784	4	225,000	14,731
to the CEO	1998	185,922	60,982	4	-	82,671
Cheryl A. Bachelder	2000	329,092	-	79	-	5,535
Former Executive Vice	1999	282,801	332,856	89	600,000	38,477
President, Marketing	1998	287,300	1,805,657	1,103	-	49,173
And Product Development (6)						
Patrick Kelly	2000	223,547	120,776	44	-	468,040
Former Executive Vice	1999	255,322	300,514	60	250,000	6,205
President, Corporate	1998	259,720	1,793,547	1,860	166,667	3,403
Operations (6)						

(1) These amounts for 1998 include bonuses of $1,637,697 for Ms. Bachelder, Mr. Kelly and Mr. Soignet and $2,851,078 for Mr. Silverman. Ms. Bachelder received her entire bonus at the closing of the recapitalization. Messrs. Silverman, Kelly and Soignet received a portion of their bonuses in cash at the closing of the recapitalization, and the receipt of the remaining portion of each other bonus was deferred under the Senior Executive Deferred Bonus Plan. See "Senior Executive Deferred Bonus Plan."

(2) These amounts include reimbursements during the fiscal year for the payment of taxes related to insurance premiums paid on behalf of the Named Executive Officers.

(3) The options are for the purchase of common stock of TISM.

(4) These amounts primarily represent matching and supplemental contributions made by us pursuant to our deferred compensation plan in 1999 and 1998, contributions made under our 401(k) plan, automobile allowances and term life insurance premiums paid by the Company for the benefit of the Named Executive Officers.

(5) Mr. Brandon was elected Chairman and Chief Executive Officer on March 31, 1999.

(6) Ms. Bachelder and Mr. Kelly ceased employment with the Company during 2000. Included in All Other Compensation is approximately $321,000 in severance paid to Mr. Kelly in accordance with his employment agreement and approximately $142,000 paid to Mr. Kelly in accordance with his TISM Class L stock option agreement. Mr. Kelly also received $750,000 in bonus he had deferred at the time of the recapitalization.

Option Grants

There were no option grants to Named Executive Officers during 2000.

Option Exercises and Fiscal Yearend Values

The following table sets forth certain information concerning the number and value of unexercised stock options of TISM held by each of the Named Executive Officers as of December 31, 2000.

FISCAL YEAR-END OPTIONS VALUES

	Number of Securities Underlying Unexercised Options At Fiscal Year-End		Value of Unexercised In-The-Money Options At Fiscal Year-End	
	Exercisable	Unexercisable	Exercisable	Unexercisable
Name	(#)	(#)	($)	($)
David A. Brandon	302,504	1,210,012	-	-
Harry J. Silverman (2)	231,111	330,000	122,109	-
Michael D. Soignet (2)	211,111	300,000	122,109	-
J. Patrick Doyle	100,000	150,000	-	-
James G. Stansik	90,000	135,000	-	-

(1) There was no public trading market for the common stock of TISM as of December 31, 2000. Accordingly, these values have been calculated on the basis of the fair market value of such securities on December 31, 2000, less the applicable exercise price.

(2) Messrs. Silverman and Soignet each have the option to purchase 11,111 of TISM's Class L common stock in addition to options to purchase TISM's Class A-3 common stock. Mr. Silverman has the option to purchase 550,000 Class A-3 shares and Mr. Soignet has the option to purchase 500,000 Class A-3 shares. The Class L options are fully vested as of December 31, 2000. The in-the-money value reported above represents the 12% Class L priority return compounded quarterly from the date of grant until December 31, 2000.

Compensation of Directors

TISM and Domino's reimburse members of the board of directors for any out-of-pocket expenses incurred by them in connection with services provided in such capacity. In addition, TISM and Domino's may compensate independent members of the board of directors for services provided in such capacity. In April 1999, Mr. Rosenberg, an independent Director, was granted a stock option for 55,555 shares of TISM Class A-3 common stock. These options vest 20% annually beginning on March 31, 2000. As of December 31, 2000, these options were still held by Mr. Rosenberg.

Employment Contracts, Termination of Employment and Change of Control Arrangements

Consulting Agreement with Thomas S. Monaghan

In connection with the closing of the recapitalization, Mr. Monaghan entered into a consulting agreement with Domino's Pizza (the Consulting Agreement). The Consulting Agreement has a term of ten years, is terminable by either the Company or Mr. Monaghan upon thirty days prior written notice, and may be extended or renewed by written agreement. Under the Consulting Agreement, Mr. Monaghan may be required to make himself available to Domino's Pizza on a limited basis. Mr. Monaghan will receive a retainer of $1.0 million for the first twelve months of the agreement and $0.5 million per year for the remainder of the term of the agreement. If we terminate the agreement for any reason, we are required to remit to Mr. Monaghan a lump sum payment within thirty days of the termination of the agreement in the full amount of the retainer payable for the remainder of the term of the Consulting Agreement. As a consultant, Mr. Monaghan is entitled to reimbursement of travel and other expenses incurred in performance of his duties but is not entitled to participate in any of our employee benefit plans or other benefits or conditions of employment available to our employees.

Employment Agreements

Mr. Brandon is employed as Chief Executive Officer and Chairman pursuant to an employment agreement. Under the employment agreement, Mr. Brandon is entitled to receive an annual salary of $600,000 and is eligible for an annual bonus based on achievement of performance objectives. If Mr. Brandon is terminated other than for cause or resigns voluntarily for good reason, he is entitled to receive continued salary for two years. If Mr. Brandon's employment is terminated by reason of physical or mental disability, he is entitled to receive continued salary less the amount of disability income benefits received by him and continued coverage under group medical plans for 18 months. Mr. Brandon is subject to certain non-competition, non-solicitation and confidentiality provisions.

Each of the other Named Executive Officers is employed pursuant to a written employment agreement. The stated term of the employment agreement with Mr. Silverman concludes June 30, 2003, with Mr. Soignet concludes December 31, 2002, with Mr. Doyle concludes December 31, 2002 and with Mr. Stansik concludes June 30, 2002. Under each employment agreement, the Named Executive Officer is entitled to receive an annual salary. Each of the above Named Executive officers is also eligible to receive an annual formula bonus based on achievement of performance objectives and a discretionary bonus. Each of the Named Executive Officers' employment agreement contains a clause allowing for an automatic one-year renewal of such agreement.

If the employment of any of the above Named Executive Officers is terminated other than for cause or resigns voluntarily for good reason, the affected Named Executive Officer is entitled continue to receive his or her salary for the remainder of the stated term. If the employment of any of the above Named Executive Officers is terminated by reason of physical or mental disability, he or she is entitled to receive continued salary less the amount of disability income benefits received by him or her and continued coverage under group medical plans for 18 months. Each of the Named Executive Officers is subject to certain non-competition, non-solicitation and confidentiality provisions. The employment agreements with certain of the above Named Executive Officers provides for the waiver of any and all rights and benefits to which he or she was entitled under the August 4, 1998 Severance Agreements to which each of the above Named Executive Officers and Domino's Pizza are party and expressly provides for the termination of such severance agreements.

Deferred Compensation Plan

Domino's Pizza has adopted a Deferred Compensation Plan for the benefit of certain of its executive and managerial employees, including certain of the Named Executive Officers. Under the plan, eligible employees are permitted to defer up to 40% of their compensation. In 1999, Domino's Pizza was required to match 30% of the amount deferred by a participant under the plan with respect to the first 15%, 20% or 25% of the participant's compensation, depending on the employee. In addition, in 1999, Domino's Pizza made a supplemental contribution, in addition to the matching contribution, of 10% of the deferred amounts. In December 1999, we amended the plan to eliminate the matching requirement and the supplemental contribution beginning in 2000. The amounts under the plan are required to be paid out upon termination of employment or a change in control of Domino's Pizza.

Senior Executive Deferred Bonus Plan

Prior to the recapitalization, Domino's Pizza entered into bonus agreements with Messrs. Silverman, Soignet and Patrick Kelly, former Executive Vice President - Corporate. The bonus agreements, as amended, provided for bonus payments, a portion of which were payable in cash upon the closing of the recapitalization and a portion of which were deferred under the Senior Executive Deferred Bonus Plan. Domino's Pizza adopted a Senior Executive Deferred Bonus Plan, effective December 21, 1998, which established deferred bonus accounts for the benefit of the three executives listed above. Domino's Pizza must pay the deferred amounts in each account to the respective executive upon the earlier of (i) a change of control, (ii) a qualified public offering, (iii) the cancellation or forfeiture of stock options held by such executive or (iv) ten years and 180 days after December 21, 1998. If the board of directors of Domino's Pizza terminates the plan, it may pay the amounts in the deferred bonus accounts to the participating executives at that time or make the payments as if the plan had continued to be in effect. Mr. Kelly was paid his deferred bonus during 2000.

Compensation Committee Interlocks and Insider Participation

The Company does not have a compensation committee. Compensation decisions for 2000 regarding the Company's executive officers were made by the Board of Directors.

Item 12. Security Ownership of Certain Beneficial Owners and Management.

All of Domino's issued and outstanding common stock is owned by TISM. The issued and outstanding capital stock of TISM consists of (i) 50,012,484 shares of Class A Common Stock, of which 9,641,874 shares are of Class A-1 Common Stock, par value $0.001 per share, 9,866,633 shares are Class A-2 Common Stock, par value $0.001 per share, and 30,503,977 shares are Class A-3 Common Stock, par value $0.001 per share, (ii) 5,534,708 shares of Class L Common Stock, par value $0.001 per share, and (iii) 1,002,155 shares of 11.5% Cumulative Preferred Stock. Only the shares of Class A-1 Common Stock have voting rights. The Class L Common Stock is identical to the Class A Common Stock except that the Class L Common Stock is nonvoting and is entitled to a preference over the Class A Common Stock, with respect to any distribution by TISM to holders of its capital stock, equal to the original cost of such share plus an amount which accrues at a rate of 12% per annum, compounded quarterly. The Class L Common Stock is convertible upon an initial public offering, or certain other dispositions, of TISM into Class A Common Stock upon a vote of the board of directors of TISM. The Cumulative Preferred Stock has no voting rights except as required by law.

The following table sets forth information with respect to ownership of TISM Class A-1 Common Stock as of March 1, 2001 (i) by each person known to the Company to own beneficially more than 5% of such class of securities, and (ii) by each Director and Named Executive Officer, and all Directors and Executive Officers as a group. Unless otherwise noted, to our knowledge, each of such stockholders has sole voting and investment power as to the shares shown.

Name and Address	Amount and Nature of Beneficial Ownership	Percentage of Outstanding Voting Securities
Principal Stockholders:		
Bain Capital Funds c/o Bain Capital, Inc. Two Copley Place Boston, Massachusetts 02116	4,724,518 (1)	49.0%
Thomas S. Monaghan+ 24 Frank Lloyd Wright Drive Ann Arbor, Michigan 48106	3,500,000 (2)	36.3%
Directors and Named Executive Officers:		
David A. Brandon*+	--	--
Harry J. Silverman*	--	--
Michael D. Soignet*	--	--
J. Patrick Doyle*	--	--
James G. Stansik*	--	--
Cheryl A. Bachelder*	--	--
Patrick Kelly*	--	--

Andrew B. Balson+	36,264 (3)	**
Thomas S. Monaghan+	(See above)	
Mark E. Nunnelly+	252,430 (4)	2.6%
Christopher C. Behrens+	472,452 (5)	4.9%
Robert F. White+	252,430 (6)	2.6%
Robert M. Rosenberg+		--
All Directors and Executive Officers as a Group (16 Persons)		44.2%

\+ Director
* Named Executive Officer
** Less than one percent.

(1) Consists of (i) 1,849,036 shares of Class A-1 Common Stock owned by Bain Capital Fund VI, L.P. ("Fund VI"), whose sole general partner is Bain Capital Partners VI, L.P., whose sole general partner is Bain Capital Investors VI, Inc., a Delaware corporation wholly owned by W. Mitt Romney, (ii) 2,104,694 shares of Class A-1 Common Stock owned by Bain Capital VI Coinvestment Fund ("Coinvest Fund"), whose sole general partner is Bain Capital Partners VI, L.P., whose sole general partner is Bain Capital Investors VI, Inc., a Delaware corporation wholly owned by W. Mitt Romney, (iii) 96,419 shares of Class A-1 Common Stock owned by Sankaty High Yield Asset Partners, L.P. ("Sankaty"), whose sole general partner is Sankaty High Yield Asset Investors, LLC, whose managing member is Sankaty High Yield Asset Investors, Ltd., a Bermuda corporation wholly owned by W. Mitt Romney, (iv) 385,675 shares of Class A-1 Common Stock owned by Brookside Capital Partners Fund, L.P. ("Brookside"), whose sole general partner is Brookside Capital Investors, L.P., whose sole general partner is Brookside Capital Investors, Inc., a Delaware corporation wholly owned by W. Mitt Romney, (v) 6,164 shares of Class A-1 Common Stock owned by PEP Investments PTY Ltd. ("PEP"), whose controlling persons are Timothy J. Sims, Richard J. Gardell, Simon D. Pillar and Paul J. McCullagh, (vi) 161,215 shares of Class A-1 Common Stock owned by BCIP Associates II ("BCIP II"), whose managing partner is Bain Capital, Inc., a Delaware corporation wholly owned by W. Mitt Romney, (vii) 34,702 shares of Class A-1 Common Stock owned by BCIP Trust Associates II, L.P.("BCIP Trust II"), whose general partner is Bain Capital, Inc., a Delaware corporation wholly owned by W. Mitt Romney, (viii) 26,043 shares of Class A-1 Common Stock owned by BCIP Associates II-B ("BCIP II-B"), whose managing partner is Bain Capital, Inc., a Delaware corporation wholly owned by W. Mitt Romney, (ix) 10,221 shares of Class A-1 Common Stock owned by BCIP Trust Associates II-B, L.P. ("BCIP Trust II-B"), whose general partner is Bain Capital, Inc., a Delaware corporation wholly owned by W. Mitt Romney, and (x) 50,349 shares of Class A-1 Common Stock owned by BCIP Associates II-C ("BCIP II-C" and collectively with BCIP II, BCIP Trust II, BCIP II-B and BCIP Trust II-B, the "BCIPs" and the BCIPs, Fund VI, Coinvest Fund, Sankaty, Brookside and PEP, collectively, the "Bain Capital funds"), whose managing partner is Bain Capital, Inc., a Delaware corporation wholly owned by W. Mitt Romney.

(2) Includes shares of Class A-1 Common Stock owned by Mrs. Monaghan.

(3) Consists of (i) 26,043 shares of Class A-1 Common Stock owned by BCIP II-B, a Delaware general partnership of which Mr. Balson is a general partner, and (ii) 10,221 shares of Class A-1 Common Stock owned by BCIP Trust II-B, a Delaware limited partnership of which Mr. Balson is a general partner. Mr. Balson disclaims beneficial ownership of any such shares in which he does not have a pecuniary interest.

(4) Consists of (i) 161,215 shares of Class A-1 Common Stock owned by BCIP II, a Delaware general partnership of which Mr. Nunnelly is a general partner, (ii) 34,702 shares of Class A-1 Common Stock owned by BCIP Trust II, a Delaware limited partnership of which Mr. Nunnelly is a general partner, (iii) 50,349 shares of Class A-1 Common Stock owned by BCIP II-C, a Delaware general partnership of which Mr. Nunnelly is a general partner, and (iv) 6,164 shares of Class A-1 Common Stock owned by PEP, a New South Wales limited company for which Mr. Nunnelly has a power of attorney. Mr. Nunnelly disclaims beneficial ownership of any such shares in which he does not have a pecuniary interest.

(5) Mr. Behrens is a partner of JP Morgan Capital Partners LLC, the general partner of Chase Equity Associates, L.P. Chase Equity Associates, L.P. is a shareholder in DP Investors I, LLC which holds 472,452 shares of Class A-1 Common Stock. Accordingly, Mr. Behrens may be deemed to beneficially own shares beneficially owned by JP Morgan Capital Partners through DP Investors I, LLC. Mr. Behrens disclaims beneficial ownership of any such shares in which he does not have a pecuniary interest.

(6) Consists of (i) 161,215 shares of Class A-1 Common Stock owned by BCIP II, a Delaware general partnership of which Mr. White is a general partner, (ii) 34,702 shares of Class A-1 Common Stock owned by BCIP Trust II, a Delaware limited partnership of which Mr. White is a general partner, (iii) 50,349 shares of Class A-1 Common Stock owned by BCIP II-C, a Delaware general partnership of which Mr. White is a general partner, and (iv) 6,164 shares of Class A-1 Common Stock owned by PEP, a New South Wales limited company for which Mr. White has a power of attorney. Mr. White disclaims beneficial ownership of any such shares in which he does not have a pecuniary interest.

Item 13. Certain Relationships and Related Transactions.

Stockholders Agreement

In connection with the recapitalization, TISM, certain of its subsidiaries, including the Company, and all of the equity holders of TISM (including the Bain Capital funds), entered into a stockholders agreement that, among other things, provides for tag-along rights, drag-along rights, registration rights, restrictions on the transfer of shares held by parties to the stockholders agreement and certain preemptive rights for certain stockholders. Under the terms of the stockholders agreement, the approval of the Bain Capital funds will be required for TISM, its subsidiaries, including the Company, and its stockholders to take various specified actions, including major corporate transactions such as a sale or initial public offering, acquisitions, divestitures, financings, recapitalizations and mergers, as well as other actions such as hiring and firing senior managers, setting management compensation and establishing capital and operating budgets and business plans. Pursuant to the stockholders agreement and TISM's Articles of Incorporation, the Bain Capital funds have the power to elect up to half of the Board of Directors of TISM. The stockholders agreement includes customary indemnification provisions in favor of controlling persons against liabilities under the Securities Act.

Management Agreement

In connection with the recapitalization, TISM and certain of its direct and indirect subsidiaries entered into a management agreement with Bain Capital Partners VI, L.P. pursuant to which it provides financial, management and operation consulting services. In exchange for such services, Bain Capital Partners VI, L.P. is entitled to an annual management fee of $2.0 million plus the reasonable out-of-pocket expenses of Bain Capital Partners VI, L.P. and its affiliates. In addition, in exchange for assisting the Company in negotiating the senior financing for any recapitalization, acquisition or other similar transaction, Bain Capital Partners VI, L.P. is entitled to a transaction fee equal to 1% of the gross purchase price, including assumed liabilities, for such transaction, irrespective of whether such senior financing is actually committed or drawn upon. In connection with the recapitalization, Bain Capital Partners VI, L.P. received a fee of $11.75 million. The management agreement will continue in effect as long as Bain Capital Partners VI, L.P. continues to provide such services. The management agreement, however, may be terminated (i) by mutual consent of the parties, (ii) by either party following a material breach of the management agreement by the other party and the failure of such other party to cure the breach within thirty days of written notice of such breach or (iii) by Bain Capital Partners VI, L.P. upon sixty days written notice. The management agreement includes customary indemnification provisions in favor of Bain Capital Partners VI, L.P. and its affiliates.

Consulting and Service Agreements

The Company engaged a Bain Capital affiliate to provide consulting services during 2000 and 1999. In 2000, the Company incurred $688,000 for consulting services. In 1999, the Company incurred $2.2 million for consulting services. Additionally, we entered into an agreement during 2000 under which the Company is committed to pay a Bain Capital affiliate approximately $500,000 during 2001 for marketing and advertising services. We believe that all fees paid and committed to are no less favorable than fees paid or payable to an unrelated third party for similar services.

Shareholder Indemnification of Legal Settlement

In 2000, the Company settled a lawsuit in which the Company paid the plaintiffs $5.0 million for a full release of all related claims. Thomas S. Monaghan agreed to indemnify TISM for $4.0 million of this legal settlement. Mr. Monaghan paid $4.0 million to the Company in 2000.

Covenant not-to-compete

In connection with the recapitalization, TISM entered into a 3-year covenant not-to-compete with Thomas S. Monaghan. TISM paid Mr. Monaghan $50.0 million for this covenant not-to-compete in 1998.

Lease Agreement

In connection with the recapitalization, Domino's entered into a new lease agreement with Domino's Farms Office Park Limited Partnership with respect to its executive offices, world headquarters and Michigan distribution center. The lease provides for lease payments of $4.3 million in the first year, increasing annually to approximately $4.7 million in the fifth year. Thomas S. Monaghan, who is a director of TISM and Domino's, is the ultimate general partner of Domino's Farms Office Park Limited Partnership. We believe that this lease is on terms no less favorable than are obtainable from unrelated third parties.

Sale of Assets

Domino's Pizza entered into a Sale of Assets Agreement dated October 14, 2000, with Michna, Inc.("Buyer"), a Michigan corporation, pursuant to which it sold the assets used in the operation of fourteen (14) Company-owned stores in the Detroit, Michigan market and eighteen (18) Company-owned stores in the Nashville, Tennessee market (including a store in Scottsville, KY) and the obligation to assume the leases for three (3) additional store locations in the Nashville area that were under lease and/or construction at the time of closing. Patrick Kelly, a Named Executive Officer is the controlling owner and chief executive and operating officer of the Buyer. The Buyer will continue to operate the stores as a franchisee of Domino's Pizza.

The sales price, after adjustments, was approximately $5.6 million, which was funded through cash and a secured promissory note, in the amount of approximately $4.4 million (the "Note"). The Note is personally guaranteed by Patrick Kelly and Buyer's obligations under the Note are secured by a lien on the assets of the stores being transferred in the transaction.

Mr. Kelly executed and delivered to Domino's Pizza a Release and Mutual Termination of Contracts by which he released any and all claims against Domino's Pizza and its related companies and terminated existing agreements between Domino's Pizza and Mr. Kelly (including employment agreements).

Mr. Kelly and all business entities owned or controlled by him also entered into a Requirements and Profit Sharing Agreement requiring the purchase of food and supplies from Domino's Pizza for a period of five (5) years. The agreement is substantially the same as the agreement entered into with other franchisees.

Part IV

Item 14. Exhibits, Financial Statements Schedules, and Reports on Form 8-K.

(a) 1. Financial Statements: The following financial statements of Domino's, Inc. are included in Item 8, "Financial Statements and Supplementary Data":

Report of Independent Auditors

Consolidated Balance Sheets as of December 31, 2000 and January 2, 2000

Consolidated Statements of Income for the Years Ended December 31, 2000, January 2, 2000, and January 3, 1999

Consolidated Statements of Comprehensive Income for the Years Ended December 31, 2000, January 2, 2000, and January 3, 1999

Consolidated Statements of Stockholder's Equity (Deficit) for the Years Ended December 31, 2000, January 2, 2000, and January 3, 1999

Consolidated Statements of Cash Flows for the Years Ended December 31, 2000, January 2, 2000, and January 3, 1999

Notes to Consolidated Financial Statements

2. Financial Statement Schedules: The following financial statement schedule is attached to this report.

Schedule II - Valuation and Qualifying Accounts

All other schedules are omitted because they are not applicable, not required, or the information is included in the financial statements or the notes thereto.

3. Exhibits: Certain of the following Exhibits have been previously filed with the Securities and Exchange Commission pursuant to the requirements of the Securities Act of 1933 and the Securities Exchange Act of 1934. Such exhibits are identified by the parenthetical references following the listing of each such exhibit and are incorporated herein by reference.

Exhibit Number	Description
2.1	Agreement and Plan of Merger dated as of September 25, 1998 (Form S-4 Registration Statement filed March 22, 1999).
2.2	Amendment No. 1 to Agreement and Plan of Merger dated as of November 24, 1998 (Form S-4 Registration Statement filed March 22, 1999).
2.3	Amendment No. 2 to Agreement and Plan of Merger dated as of November 24, 1998 (Form S-4 Registration Statement filed March 22, 1999).
2.4	Amendment No. 3 to Agreement and Plan of Merger dated December 18, 1998 (Form S-4 Registration Statement filed March 22, 1999).
3.1	Domino's, Inc. Amended and Restated Certificate of Incorporation (Form S-4 Registration Statement filed March 22, 1999).
3.2	Domino's, Inc. Amended and Restated By-Laws (Form S-4 Registration Statement filed March 22, 1999).
3.3	Domino's Pizza, Inc. Restated Articles of Incorporation (Form S-4 Registration Statement filed March 22, 1999).

3.4 Domino's Pizza, Inc. By-Laws (Form S-4 Registration Statement filed March 22, 1999).

3.5 Domino's Pizza PMC, Inc. Articles of Incorporation (Exhibit to our Annual Report on Form 10-K for the fiscal year ended January 2, 2000 is incorporated herein by reference).

3.6 Domino's Pizza PMC, Inc. By-Laws (Exhibit to our Annual Report on Form 10-K for the fiscal year ended January 2, 2000 is incorporated herein by reference).

3.7 Domino's Franchise Holding Co. Articles of Incorporation (Form S-4 Registration Statement filed March 22, 1999).

3.8 Domino's Franchise Holding Co. By-Laws (Form S-4 Registration Statement filed March 22, 1999).

3.9 Domino's Pizza International, Inc. Amended and Restated Certificate of Incorporation (Form S-4 Registration Statement filed March 22, 1999).

3.10 Domino's Pizza International, Inc. Amended and Restated By-Laws (Form S-4 Registration Statement filed March 22, 1999).

3.11 Domino's Pizza International Payroll Services, Inc. Articles of Incorporation (Form S-4 Registration Statement filed March 22, 1999).

3.12 Domino's Pizza International Payroll Services, Inc. By-Laws (Form S-4 Registration Statement filed March 22, 1999).

3.13 Domino's Pizza-Government Services Division, Inc. Articles of Incorporation (Form S-4 Registration Statement filed March 22, 1999).

3.14 Domino's Pizza-Government Services Division, Inc. By-Laws (Form S-4 Registration Statement filed March 22, 1999).

3.15 Domino's Pizza LLC Articles of Organization (Exhibit to our Annual Report on Form 10-K for the fiscal year ended January 2, 2000 is incorporated herein by reference).

3.16 Domino's Pizza LLC By-laws (Exhibit to our Annual Report on Form 10-K for the fiscal year ended January 2, 2000 is incorporated herein by reference).

3.17 DP CA COMM, Inc. Articles of Incorporation (Exhibit to our Annual Report on Form 10-K for the fiscal year ended January 2, 2000 is incorporated herein by reference).

3.18 DP CA COMM, Inc. By-laws (Exhibit to our Annual Report on Form 10-K for the fiscal year ended January 2, 2000 is incorporated herein by reference).

3.19 DP CA CORP, Inc. Articles of Incorporation (Exhibit to our Annual Report on Form 10-K for the fiscal year ended January 2, 2000 is incorporated herein by reference).

3.20 DP CA CORP, Inc. By-laws (Exhibit to our Annual Report on Form 10-K for the fiscal year ended January 2, 2000 is incorporated herein by reference).

3.21 Domino's Pizza California LLC Articles of Organization (Exhibit to our Annual Report on Form 10-K for the fiscal year ended January 2, 2000 is incorporated herein by reference).

3.22 Domino's Pizza California LLC Operating Agreement (Exhibit to our Annual Report on Form 10-K for the fiscal year ended January 2, 2000 is incorporated herein by reference).

3.23 Domino's Pizza NS Co. Articles of Association (Exhibit to our Annual Report on Form 10-K for the fiscal year ended January 2, 2000 is incorporated herein by reference).

4.1 Indenture dated as of December 21, 1998 by and among Domino's Inc., Domino's Pizza, Inc., Metro Detroit Pizza, Bluefence, Inc., Domino's Pizza International, Inc., Domino's Pizza International Payroll Services, Inc., Domino's Pizza-Government Services Division, Inc. and IBJ Schroder Bank and Trust Company (Form S-4 Registration Statement filed March 22, 1999).

4.2 Registration Rights Agreement dated as of December 21, 1998 by and among Domino's, Inc., Domino's Pizza, Inc., Metro Detroit Pizza, Inc., Bluefence, Inc., Domino's Pizza International, Inc., Domino's Pizza International Payroll Services, Inc., Domino's Pizza-Government Services Division, Inc., J.P. Morgan Securities, Inc. and Goldman, Sachs & Co (Form S-4 Registration Statement filed March 22, 1999).

10.1 Amended and Restated Purchase Agreement dated December 21, 1998 by and among Domino's Inc., Domino's Pizza, Inc., Metro Detroit Pizza, Inc., Bluefence, Inc., Domino's Pizza International, Inc., Domino's Pizza International Payroll Services, Inc., Domino's Pizza-Government Services Division, Inc., J.P. Morgan Securities, Inc. and Goldman, Sachs & Co (Form S-4 Registration Statement filed March 22, 1999).

10.2 Consulting Agreement dated December 21, 1998 by and between Domino's Pizza, Inc. and Thomas S. Monaghan (Form S-4 Registration Statement filed March 22, 1999).

10.3 Lease Agreement dated as of December 21, 1998 by and between Domino's Farms Office Park Limited Partnership and Domino's Pizza, Inc (Form S-4 Registration Statement filed March 22, 1999).

10.4 Management Agreement by and among TISM, Inc., each of its direct and indirect subsidiaries and Bain Capital Partners VI, L.P (Form S-4 Registration Statement filed March 22, 1999).

10.5 Stockholders Agreement dated as of December 21, 1998 by and among TISM, Inc., Domino's, Inc., Bain Capital Fund VI, L.P., Bain Capital VI Coinvestment Fund, L.P., BCIP, PEP Investments PTY Ltd., Sankaty High Yield Asset Partners, L.P., Brookside Capital Partners Fund, L.P., RGIP, LLC, DP Investors I, LLC, DP Investors II, LLC, J.P. Morgan Capital Corporation, Sixty Wall Street Fund, L.P., DP Transitory Corporation, Thomas S. Monaghan, individually and in his capacity as trustee, and Marjorie Monaghan, individually and in her capacity as trustee, Harry J. Silverman, Michael D. Soignet, Stuart K. Mathis, Patrick Kelly, Gary M. McCausland and Cheryl Bachelder (Form S-4 Registration Statement filed March 22, 1999).

10.6 Senior Executive Deferred Bonus Plan of Domino's, Inc. dated as of December 21, 1998 (Form S-4 Registration Statement filed March 22, 1999).

10.7 Domino's Pizza, Inc. Deferred Compensation Plan adopted effective January 4, 1999 (Form S-4 Registration Statement filed March 22, 1999).

10.8 Domino's Pizza, Inc. Amendment to the Deferred Compensation Plan (Exhibit to our Annual Report on Form 10-K for the fiscal year ended January 2, 2000 is incorporated herein by reference).

10.9 Employment Agreement dated as of December 14, 1999 between Harry Silverman and Domino's Pizza, Inc. (Exhibit to our Annual Report on Form 10-K for the fiscal year ended January 2, 2000 is incorporated herein by reference).

10.10 Employment Agreement dated as of December 14, 1999 between Cheryl Bachelder and Domino's Pizza, Inc. (Exhibit to our Annual Report on Form 10-K for the fiscal year ended January 2, 2000 is incorporated herein by reference).

10.11 Employment Agreement dated as of December 14, 1999 between James Stansik and Domino's Pizza, Inc. (Exhibit to our Annual Report on Form 10-K for the fiscal year ended January 2, 2000 is incorporated herein by reference).

10.12 Employment Agreement dated as of December 14, 1999 between Michael Soignet and Domino's Pizza, Inc. (Exhibit to our Annual Report on Form 10-K for the fiscal year ended January 2, 2000 is incorporated herein by reference).

10.13 Employment Agreement dated as of December 14, 1999 between Hoyt Jones and Domino's Pizza, Inc. (Exhibit to our Annual Report on Form 10-K for the fiscal year ended January 2, 2000 is incorporated herein by reference).

10.14 Employment Agreement dated as of December 14, 1999 between J. Patrick Doyle and Domino's Pizza, Inc. (Exhibit to our Annual Report on Form 10-K for the fiscal year ended January 2, 2000 is incorporated herein by reference).

10.15 Credit Agreement dated as of December 21, 1998 by and among Domino's, Inc., Bluefence, Inc., J.P. Morgan Securities, Inc., Morgan Guaranty Trust Company of New York, Bank One and Comerica Bank (Form S-4 Registration Statement filed March 22, 1999).

10.16 Borrower Pledge Agreement dated as of December 21, 1998 by and among Domino's, Inc., Bluefence, Inc. and Morgan Guaranty Trust Company of New York, as Collateral Agent (Form S-4 Registration Statement filed March 22, 1999).

10.17 Subsidiary Pledge Agreement dated as of December 21, 1998 by and among Domino's Pizza, Inc., Metro Detroit Pizza, Inc., Domino's Pizza International, Inc., Domino's Pizza International Payroll Services, Inc., Domino's Pizza-Government Services Division, Inc. and Morgan Guaranty Trust Company of New York, as Collateral Agent (Form S-4 Registration Statement filed March 22, 1999).

10.18 Borrower Security Agreement dated as of December 21, 1998 by and among Domino's, Inc., Bluefence, Inc. and Morgan Guaranty Trust Company of New York, as Collateral Agent (Form S-4 Registration Statement filed March 22, 1999).

10.19 Subsidiary Security Agreement dated as of December 21, 1998 by and among Domino's Pizza, Inc., Metro Detroit Pizza, Inc., Domino's Pizza International, Inc., Domino's Pizza International Payroll Services, Inc., Domino's Pizza-Government Services Division, Inc. and Morgan Guaranty Trust Company of New York, as Collateral Agent (Form S-4 Registration Statement filed March 22, 1999).

10.20 Collateral Account Agreement dated as of December 21, 1998 by and among Domino's, Inc., Bluefence, Inc. and Morgan Guaranty Trust Company of New York, as Collateral Agent (Form S-4 Registration Statement filed March 22, 1999).

10.21 Employment Agreement dated as of March 31, 1999 between David A. Brandon and TISM, Inc., Domino's Inc. and Domino's Pizza, Inc. (Form S-4 Registration Statement filed March 22, 1999).

10.22 Employment Agreement dated as of January 2, 2000 between Patrick Kelly and Domino's Pizza, Inc. (Exhibit to our Annual Report on Form 10-K for the fiscal year ended January 2, 2000 is incorporated herein by reference).

10.23 TISM, Inc. Third Amended and Restated Stock Option Plan (Exhibit to our Annual Report on Form 10-K for the fiscal year ended January 2, 2000 is incorporated herein by reference).

10.24 Employment Agreement dated as of April 1, 2000 between Domino's Pizza, Inc. and Elisa D. Garcia C. (Exhibit to our Quarterly Report on Form 10-Q for the fiscal quarter ended June 18, 2000 is incorporated herein by reference).

10.25 First Amendment to the TISM, Inc. Third Amended and Restated Stock Option Plan (Exhibit to our Quarterly Report on Form 10-Q for the fiscal quarter ended June 18, 2000 is incorporated herein by reference).

10.26 Employment Agreement dated as of July 10, 2000 between Domino's Pizza LLC and Patricia A. Wilmot (Exhibit to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 10, 2000 is incorporated herein by reference).

10.27 Supplemental Indenture dated as of June 7, 2000 (Exhibit to our Quarterly Report on Form 10-Q for the fiscal quarter ended June 18, 2000 is incorporated herein by reference).

10.28 First Amendment, dated as of February 10, 1999, to Credit Agreement, dated as of December 21, 1998, as amended

10.29 Second Amendment, dated as of April 16, 1999, to Credit Agreement, dated as of December 21, 1998, as amended

10.30 Third Amendment, dated as of July 17, 2000, to Credit Agreement, dated as of December 21, 1998, as amended (Exhibit to our Quarterly Report on Form 10-Q/A for the fiscal quarter ended September 10, 2000 is incorporated herein by reference).

10.31 Employment Agreement dated as of December 31, 2000 between Domino's Pizza LLC and Patrick Knotts.

10.32 Amendment, dated February 7, 2000, to Lease Agreement dated December 21, 1998 by and between Domino's Farms Office Park Limited Partnership and Domino's Pizza, Inc.

10.33 Settlement Letter, dated March 23, 2000, between TISM, Inc. and Thomas S. Monaghan

21.1 Domino's, Inc. subsidiaries

99.1 Risk Factors

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(b) Reports on Form 8-K.

No reports on Form 8-K were filed during the fourth quarter of the year ended December 31, 2000.

SUPPLEMENTAL INFORMATION TO BE FURNISHED WITH REPORTS FILED PURSUANT TO SECTION 15(d) OF THE ACT BY REGISTRANTS WHICH HAVE NOT REGISTERED SECURITIES PURSUANT TO SECTION 12 OF THE ACT.

No annual report has been sent to security holders covering the registrant's last fiscal year and no proxy materials have been sent to more than 10 of the registrant's security holders during the registrant's last fiscal year.

Report of Independent Public Accountants

To Domino's, Inc.:

We have audited in accordance with auditing standards generally accepted in the United States, the consolidated financial statements of Domino's, Inc. and Subsidiaries (the Company) included in this Form 10-K, and have issued our report thereon dated January 30, 2001. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedule listed in the accompanying index is the responsibility of the Company's management and is presented for purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic consolidated financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

Detroit, Michigan,
January 30, 2001.

/s/ ARTHUR ANDERSEN LLP

SCHEDULE II - VALUATION and QUALIFYING ACCOUNTS

DOMINO'S, INC. and SUBSIDIARIES

(Dollars In Thousands)

	Balance Beginning of Year	Provision (Benefit)	* Additions / Deductions from Reserves	Translation Adjustments	Balance End of Year
Allowance for doubtful accounts receivable					
2000	2,444	1,996	(827)	(52)	3,561
1999	2,794	905	(1,242)	(13)	2,444
1998	3,978	174	(1,362)	4	2,794
Allowance for doubtful notes receivable					
2000	3,537	205	(601)	-	3,141
1999	3,165	1,066	(694)	-	3,537
1998	5,708	(3,386)	837	6	3,165

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* Consists primarily of write-offs and recoveries of bad debts

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized, in the Township of Ann Arbor, State of Michigan on the 28th day of March, 2001.

DOMINO'S, INC.

/s/ Harry J. Silverman

Harry J. Silverman
Chief Financial Officer

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 indicated on March 28, 2001.

/s/ David A. Brandon - ---------------------------- David A. Brandon	Chairman, CEO and Director (Principal Executive Officer)
/s/ Harry J. Silverman - ---------------------------- Harry J. Silverman	Chief Financial Officer (Principal Financial and Accounting Officer)
/s/ Andrew B. Balson - ---------------------------- Andrew B. Balson	Director
/s/ Christopher C. Behrens - ---------------------------- Christopher C. Behrens	Director
/s/ Thomas S. Monaghan - ---------------------------- Thomas S. Monaghan	Director
/s/ Mark E. Nunnelly - ---------------------------- Mark E. Nunnelly	Director
/s/ Robert M. Rosenberg - ---------------------------- Robert M. Rosenberg	Director
/s/ Robert F. White - ---------------------------- Robert F. White	Director

EXHIBIT 10.28

FIRST AMENDMENT

FIRST AMENDMENT TO CREDIT AGREEMENT (this "Amendment"), dated as of February 10, 1999, among DOMINO'S INC. ("Company"), BLUEFENCE, INC. ("Subsidiary Borrower" and, together with Company, each, a "Borrower" and, collectively, "Borrowers"), TISM, INC. ("Holdings"), J.P. MORGAN SECURITIES INC., as arranger (in such capacity, "Arranger"), THE FINANCIAL INSTITUTIONS party to the Credit Agreement referred to below (each individually referred to therein as a "Lender" and collectively as "Lenders"), MORGAN GUARANTY TRUST COMPANY OF NEW YORK ("Morgan Guaranty"), as administrative agent for Lenders (in such capacity, "Administrative Agent"), NBD BANK ("NBD Bank"), as syndication agent (in such capacity, "Syndication Agent"), and COMERICA BANK ("COMERICA"), as documentation agent (in such capacity, "Documentation Agent"). All capitalized terms used herein and not otherwise defined herein shall have the respective meanings provided such terms in the Credit Agreement.

W I T N E S S E T H

WHEREAS, Borrowers, Holdings, the Arranger, Lenders, the Administrative Agent, the Syndication Agent and the Documentation Agent are party to a Credit Agreement, dated as of December 21, 1998; and

WHEREAS, subject to the terms and conditions of this Amendment, the parties hereto agree as follows;

NOW, THEREFORE, it is agreed:

1. Nothwithstanding anything to the contrary contained in Section 6.1(i) of the Credit Agreement, the Lenders hereby agree that the financial statements referred to in such section for the Accounting Periods ended January 3, 1999, January 31, 1999 and February 28, 1999 will not be required to be delivered to the Administrative Agent and the Lenders until the submission of the audited year-end financial statements pursuant to Section 6.1(iii) of the Credit Agreement.

2. Notwithstanding anything to the contrary contained in Section 6.1(ii) of the Credit Agreement, the Lenders hereby agree that the financial statements and narrative report referred to in such section for the Accounting Quarter ended January 3, 1999 will not be required to be delivered to the Administrative Agent and the Lenders until the submission of the audited year-end financial statements pursuant to Section 6.1(iii) of the Credit Agreement.

3. In order to induce the Lenders to enter into this Amendment, each Borrower hereby represents and warrants that (i) no Default or Event of Default exists as of the Amendment Effective Date (as defined below), both before and after giving effect to this Amendment and (ii) on the Amendment Effective Date, both before and after giving effect to this Amendment, all representations and warranties contained in the Credit Agreement and in the other Credit Documents are true and correct in all material respects.

4. This Amendment shall become effective on the date (the "Amendment Effective Date") when each Borrower and the Requisite Lenders shall have signed a counterpart hereof (whether the same or different counterparts) and shall have delivered (including by way of facsimile transmission) the same to the Administrative Agent at its notice address.

5. This Amendment is limited as specified and shall not constitute a modification, acceptance or waiver of any other provision of the Credit Agreement or any other Loan Document.

6. This Amendment may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which counterparts when executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. A complete set of counterparts shall be lodged with each Borrower and the Administrative Agent.

7. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

* * *

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Amendment to be duly executed and delivered as of the date hereof.

TISM, INC.

By: /s/ Harry J. Silverman

Title: President

DOMINO'S, INC.

By: /s/ Harry J. Silverman

Title: President

BLUEFENCE, INC.

By: /s/ Harry J. Silverman

Title: President

MORGAN GUARANTY TRUST COMPANY OF NEW YORK,
individually and as Administrative Agent

By: /s/

Title:

J.P. MORGAN SECURITIES INC., as Arranger

By: /s/

Title:

COMERICA BANK, individually and as Documentation
Agent

By: /s/

Title:

NBD BANK, individually and as Syndication Agent

By: /s/

Title:

THE BANK OF NOVA SCOTIA

By: /s/

Title:

CREDIT LYONNAIS NEW YORK BRANCH

By: /s/

Title:

MICHIGAN NATIONAL BANK

By: /s/

Title:

COMPAGNIE FINANCIERE de CIC et de l'UNION
EUROPEENNE

By: /s/

Title:

CITY NATIONAL BANK

By: /s/

Title:

BAIN CAPITAL FUND SANKATY

By: /s/

Title:

OSPREY INVESTMENTS PORTFOLIO

By: Citibank, N.A., as Manager

By: /s/

Title:

KZH CNC LLC

By: /s/

Title:

FLEET NATIONAL BANK

By: /s/

Title:

KZH ING - 1 LLC

By: /s/

Title:

KZH ING - 2 LLC

By: /s/

Title:

KZH ING - 3 LLC

By: /s/

Title:

ARCHIMEDES FUNDING, L.L.C.,

By: ING Capital Advisors, Inc., as Collateral Manager

By: /s/

Title:

ARCHIMEDES FUNDING II, LTD

By: ING Capital Advisors, Inc., as Collateral Manager

By: /s/

Title:

MERRILL LYNCH SENIOR FLOATING RATE FUND, INC.

By: /s/

Title:

SENIOR HIGH INCOME PORTFOLIO, INC.

By: /s/

Title:

DEBT STRATEGIES FUND II, INC.

By: /s/

Title:

OAK HILL SECURITIES FUND, L.P.

By: /s/

Title:

VAN KAMPEN PRIME RATE INCOME TRUST

By: /s/

Title:

VAN KAMPEN SENIOR FLOATING RATE FUND

By: /s/

Title:

VAN KAMPEN SENIOR INCOME TRUST

By: /s/

Title:

WELLS FARGO N.A.

By: /s/

Title:

EATON VANCE SENIOR INCOME TRUST

By: /s/

Title:

SENIOR DEBT PORTFOLIO

By: /s/

Title:

OXFORD STRATEGIC INCOME FUND

By: /s/

Title:

INDOSUEZ CAPITAL FUNDING IIA, LIMITED

By: /s/

Title:

INDOSUEZ CAPITAL FUNDING IV, L.P.

By: /s/

   Title:

TCW LEVERAGED INCOME TRUST

By: /s/

   Title:

TCW LEVERAGED INCOME TRUST II

By: /s/

   Title:

MERRILL LYNCH PRIME RATE PORTFOLIO

By: /s/

   Title:

TEACHERS' RETIREMENT SYSTEM OF LOUISIANA

By: MacKay-Shields Financial Corporation
Its: Investment Advisor

By: /s/

   Title:

MAINSTAY VP SERIES FUND, INC., ON BEHALF OF
ITS HIGH YIELD CORPORATE BOND PORTFOLIO

By: MacKay-Shields Financial Corporation
Its: Investment Advisor

By: /s/

Title:

THE 1199 HEALTHCARE EMPLOYEES PENSION FUND

By: MacKay-Shields Financial Corporation
Its: Investment Advisor

By: /s/

Title:

THE BROWN AND WILLIAMSON MASTER RETIREMENT TRUST

By: Mackay-Shields Financial Corporation
Its: Investment Advisor

By: /s/

Title:

POLICE OFFICERS PENSION SYSTEM OF THE CITY
OF HOUSTON

By: MacKay-Shields Financial Corporation
Its: Investment Advisor

By: /s/

Title:

THE MAINSTAY FUNDS, INC., ON BEHALF OF ITS
STRATEGIC VALUE FUND

By: MacKay-Shields Financial Corporation
Its: Investment Advisor

By: /s/

Title:

THE MAINSTAY FUNDS, INC., ON BEHALF OF ITS
STRATEGIC INCOME FUND

By: MacKay-Shields Financial Corporation
Its: Investment Advisor

By: /s/

Title:

THE MAINSTAY FUNDS, INC., ON BEHALF OF ITS
HIGH YIELD CORPORATE BOND FUND SERIES

By: MacKay-Shields Financial Corporation
Its: Investment Advisor

By: /s/

Title:

Mellon Bank N.A. solely in its capacity as Trustee (or Custodian) for the Employees Retirement Fund of the City of Fort Forth as directed by MacKay-Shields Financial Corporation, and not in its individual capacity.

By: /s/

Title:

CREDIT AGRICOLE INDOSUEZ

By: /s/

Title:

SANKATY HIGH YIELD ASSET PARTNERS, L.P.

By: /s/

Title:

BANK OF NEW YORK

By: /s/

Title:

SECOND AMENDMENT

SECOND AMENDMENT TO CREDIT AGREEMENT (this "Amendment"), dated as of April 16, 1999, among DOMINO'S INC. ("Company"), BLUEFENCE, INC. ("Subsidiary Borrower" and, together with Company, each, a "Borrower" and, collectively, "Borrowers"), TISM, INC. ("Holdings"), J.P. MORGAN SECURITIES INC., as arranger (in such capacity, "Arranger"), THE FINANCIAL INSTITUTIONS party to the Credit Agreement referred to below (each individually referred to therein as a "Lender" and collectively as "Lenders"), MORGAN GUARANTY TRUST COMPANY OF NEW YORK ("Morgan Guaranty"), as administrative agent for Lenders (in such capacity, "Administrative Agent"), NBD BANK ("NBD Bank"), as syndication agent (in such capacity, "Syndication Agent"), and COMERICA BANK ("COMERICA"), as documentation agent (in such capacity, "Documentation Agent"). All capitalized terms used herein and not otherwise defined herein shall have the respective meanings provided such terms in the Credit Agreement (as defined below).

W I T N E S S E T H

WHEREAS, Borrowers, Holdings, the Arranger, Lenders, the Administrative Agent, the Syndication Agent and the Documentation Agent are party to a Credit Agreement, dated as of December 21, 1998 (as amended, the "Credit Agreement");

WHEREAS, DP Transitory Corporation, a Delaware corporation, owns shares of Holdings Common Stock and Cumulative Preferred Stock (collectively, "DP Transitory Stock");

WHEREAS, Holdings desires to repurchase from DP Transitory Corporation, DP Transitory Stock in an aggregate amount not to exceed $6,000,000 in order to implement an employee stock purchase plan;

WHEREAS, immediately upon the repurchase of such DP Transitory Stock, Holdings desires to sell such stock for cash consideration at least equal to the repurchase price to managers and employees of Holdings and its Subsidiaries;

WHEREAS, Holdings and its Subsidiaries desire to amend certain of the financial reporting requirements in the Credit Agreement; and

WHEREAS, subject to the terms and conditions of this Amendment, the parties hereto agree as follows;

NOW, THEREFORE, it is agreed:

1. Subsection 1.1 of the Credit Agreement is hereby amended by inserting the following new definition of "DP Transitory Stock" in the appropriate alphabetical order:

"DP Transitory Stock" means all Holdings Common Stock or Cumulative Preferred Stock acquired by DP Transitory Corporation on the Closing Date."

2. Subsection 1.1 of the Credit Agreement is hereby further amended by inserting in the definition of "Excess Proceeds Amount", the parenthetical "(other than Net Equity Proceeds of DP Transitory Stock acquired by Holdings and sold in a substantially contemporaneous transaction to employees and managers of Holdings and its Subsidiaries)" after the text "of any Net Equity Proceeds" appearing in clause (b) of such definition.

3. Subsection 2.4(B)(iii)(d) of the Credit Agreement is hereby amended by (i) deleting the word "and" appearing before clause (B) in the second parenthetical therein, and inserting "," in lieu thereof, and (ii) inserting at the end of clause (B) the following new clause (C):

", and (C) Net Equity Proceeds received from the sale of DP Transitory Stock to managers and employees of Holdings and its Subsidiaries"

4. Subsection 6.1 of the Credit Agreement is hereby amended by inserting in the first paragraph therein the text "and/or the Company, as the case may be", after the word "Holdings" appearing in the second sentence therein.

5. Subsection 6.1(i) of the Credit Agreement is hereby amended by deleting the word "Holdings" in each place where it appears therein and inserting in lieu thereof, the words "the Company".

6. Subsection 6.1(ii) of the Credit Agreement is hereby amended by (i) deleting the word "Holdings" appearing in clause (a) and inserting in lieu thereof, the words "the Company", (ii) relettering clause (b) as clause (c), (iii) inserting at the end of clause (a) the following new clause (b):

"(b) the consolidating balance sheet, statements of income and cash flows consolidating the financial statements of Holdings with the consolidated financial statements of the Company and its Subsidiaries, and the related consolidated statement of stockholders' equity of Holdings and its Subsidiaries for the period from the beginning of the then current fiscal year to the end of such Accounting Quarter,"

7. Subsection 6.1(iii) is hereby amended by inserting the parenthetical "(or, in the case of the report described in clause (c) in respect of Fiscal Year 1998, no later than June 30, 1999)" after the text "after the end of each Fiscal Year" appearing before clause (a) of such subsection.

8. Subsection 6.1(vi) is hereby amended by inserting the text "commencing with such financial statements delivered in respect of Fiscal Year 1999" after the text "pursuant to subdivision (iii) above," appearing before clause (a) of such subsection.

9. Subsection 7.5 of the Credit Agreement is hereby amended by (i) deleting the word "and" appearing immediately before clause (xvi), and (ii) inserting at the end of clause (xvi) the following new clause (xvii):

> "and (xvii) so long as no Event of Default is then in existence or would result therefrom, Holdings may repurchase DP Transitory Stock from DP Transitory Corporation, *provided* that (i) the aggregate repurchase price does not exceed $6,000,000 and (ii) the repurchase of DP Transitory Stock is contemporaneous with the sale of such stock to employees and managers of Holdings for consideration no less than the repurchase price thereof;"

10. In order to induce the Lenders to enter into this Amendment, each Borrower hereby represents and warrants that (i) no Default or Event of Default exists as of the Second Amendment Effective Date (as defined below), both before and after giving effect to this Amendment and (ii) on the Second Amendment Effective Date, both before and after giving effect to this Amendment, all representations and warranties contained in the Credit Agreement and in the other Credit Documents are true and correct in all material respects.

11. This Amendment shall become effective on the date (the "Second Amendment Effective Date") when each Borrower and the Requisite Lenders shall have signed a counterpart hereof (whether the same or different counterparts) and shall have delivered (including by way of facsimile transmission) the same to the Administrative Agent at its notice address.

12. This Amendment is limited as specified and shall not constitute a modification, acceptance or waiver of any other provision of the Credit Agreement or any other Loan Document.

13. This Amendment may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which counterparts when executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. A complete set of counterparts shall be lodged with each Borrower and the Administrative Agent.

14. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

* * *

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Amendment to be duly executed and delivered as of the date hereof.

TISM, INC.

By: /s/ Harry J. Silverman

Title: Executive Vice President & CFO

DOMINO'S, INC.

By: /s/ Harry J. Silverman

Title: Executive Vice President & CFO

BLUEFENCE, INC.

By: /s/ Harry J. Silverman

Title: Executive Vice President & CFO

MORGAN GUARANTY TRUST COMPANY OF NEW YORK,
individually and as Administrative Agent

By: /s/

Title:

COMERICA BANK, individually and as
Documentation Agent

By: /s/

Title:

NBD BANK, individually and as Syndication Agent

By: /s/

Title:

THE BANK OF NOVA SCOTIA

By: /s/

Title:

CREDIT LYONNAIS NEW YORK BRANCH

By: /s/

Title:

MICHIGAN NATIONAL BANK

By: /s/

Title:

COMPAGNIE FINANCIERE de CIC et de l'UNION
EUROPEENNE

By: /s/

Title:

CITY NATIONAL BANK

By: /s/

Title:

SANKATY HIGH YIELD ASSET PARTNERS, L.P.

By: /s/

Title:

OSPREY INVESTMENTS PORTFOLIO

By: Citibank, N.A., as Manager

By: /s/

Title:

KZH CNC LLC

By: /s/

Title:

FLEET NATIONAL BANK

By: /s/

Title:

KZH ING - 1 LLC

By: /s/

Title:

KZH ING - 2 LLC

By: /s/

Title:

KZH ING - 3 LLC

By: /s/

Title:

ARCHIMEDES FUNDING, L.L.C.,

By: ING Capital Advisors, Inc.,
as Collateral Manager

By: /s/

Title:

ARCHIMEDES FUNDING II, LTD

By: ING Capital Advisors, Inc.,
as Collateral Manager

By: /s/

Title:

SENIOR DEBT PORTFOLIO

By: Boston Management and Research
as Investment Advisor

By: /s/

Title:

EATON VANCE SENIOR INCOME TRUST

By: Eaton Vance Management
as Investment Advisor

By: /s/

Title:

OXFORD STRATEGIC INCOME FUND

By: Eaton Vance Management
as Investment Advisor

By: /s/

Title:

OAK HILL SECURITIES FUND, L.P.

By: Oak Hill Securities GenPar, L.P.

By: Oak Hill Securities MGP, Inc.,
its General Partner

By: /s/

Title:

VAN KAMPEN PRIME RATE INCOME TRUST

By: /s/

Title:

VAN KAMPEN SENIOR FLOATING RATE FUND

By: /s/

Title:

VAN KAMPEN SENIOR INCOME TRUST

By: /s/

Title:

INDOSUEZ CAPITAL FUNDING IIA, LIMITED

Indosuez Capital as Portfolio Advisor

By: /s/

Title:

INDOSUEZ CAPITAL FUNDING IV, L.P.

Indosuez Capital as Portfolio Advisor

By: /s/

Title:

TEACHERS' RETIREMENT SYSTEM OF LOUISIANA

By: MacKay-Shields Financial Corporation
Its: Investment Advisor

By: /s/

Title:

MAINSTAY VP SERIES FUND, INC., ON BEHALF
OF ITS HIGH YIELD CORPORATE BOND PORTFOLIO

By: MacKay-Shields Financial Corporation
Its: Investment Advisor

By: /s/

Title:

THE 1199 HEALTHCARE EMPLOYEES PENSION FUND

By: MacKay-Shields Financial Corporation
Its: Investment Advisor

By: /s/

Title:

THE BROWN AND WILLIAMSON MASTER RETIREMENT TRUST

By: Mackay-Shields Financial Corporation
Its: Investment Advisor

By: /s/

Title:

POLICE OFFICERS PENSION SYSTEM OF THE CITY OF HOUSTON

By: MacKay-Shields Financial Corporation
Its: Investment Advisor

By: /s/

Title:

THE MAINSTAY FUNDS, ON BEHALF OF ITS STRATEGIC VALUE FUND SERIES

By: MacKay-Shields Financial Corporation
Its: Investment Advisor

By: /s/

Title:

THE MAINSTAY FUNDS, ON BEHALF OF ITS
STRATEGIC INCOME FUND SERIES

By: MacKay-Shields Financial Corporation
Its: Investment Advisor

By: /s/

Title:

THE MAINSTAY FUNDS, ON BEHALF OF ITS HIGH
YIELD CORPORATE BOND FUND SERIES

By: MacKay-Shields Financial Corporation
Its: Investment Advisor

By: /s/

Title:

Mellon Bank N.A. solely in its capacity as
Trustee for the Employees Retirement Fund
of the City of Fort Forth as directed by
MacKay-Shields Financial Corporation, and
not in its individual capacity.

By: /s/

Title:

THE BANK OF NEW YORK

By: /s/

Title:

CREDIT AGRICOLE INDOSUEZ

By: /s/

Title:

MERRILL LYNCH PRIME RATE PORTFOLIO

By: /s/

Title:

TCW LEVERAGED INCOME TRUST

By: /s/

Title:

TCW LEVERAGED INCOME TRUST II

By: /s/

Title:

WELLS FARGO N.A.

By: /s/

Title:

EXHIBIT 10.31

EMPLOYMENT AGREEMENT

This Employment Agreement is made as of December 31, 2000, by Domino's Pizza LLC, a Michigan limited liability corporation (the "Company") with Patrick Knotts (the "Executive").

RECITALS

1. The Executive has experience and expertise required by the Company and its Affiliates.

2. Subject to the terms and conditions hereinafter set forth, the Company therefore wishes to employ the Executive as its Executive Vice President - Corporate Operations and the Executive wishes to accept such employment.

AGREEMENT

NOW, THEREFORE, for valid consideration received, the parties agree as follows:

1. Employment. Subject to the terms and condition set forth in this Agreement, the Company offers and the Executive accepts employment hereunder effective as of the date first set forth above (the "Effective Date").

2. Term. Subject to earlier termination as hereafter provided, the Executive shall be employed hereunder for an original term of three (3) years which term shall be automatically extended thereafter for successive terms of one year each, unless either party provides notice to the other at least 30 days prior to the expiration of the original or any extension term that this Agreement is not to be extended. The term of the Executive's employment under this Agreement, as from time to time extended, is referred to as the "Term."

3. Capacity and Performance.

   3.1 Offices. During the Term, the Executive shall serve the Company in the office of Executive Vice President - Corporate Operations. The Executive shall have such other powers, duties and responsibilities consistent with the Executive's position as Executive Vice President - Corporate Operations as may from time to time be prescribed by the Chief Executive Officer of the Company ("CEO").

   3.2 Performance. During the Term, the Executive shall be employed by the Company on a full-time basis and shall perform and discharge, faithfully, diligently and to the best of his ability, his duties and responsibilities hereunder. During the Term, the Executive shall devote his full business time exclusively to the advancement of the business and interests of the Company and its Affiliates and to the discharge of his duties and responsibilities hereunder. The Executive shall not engage in any other business activity or serve in any industry, trade, professional, governmental, political, charitable or academic position during the Term of this Agreement, except for such directorships or other positions which he currently holds and has disclosed to the CEO in Exhibit 3.2 hereof and except as otherwise may be approved in advance by the CEO.

4. Compensation and Benefits. During the Term, as compensation for all services performed by the Executive under this Agreement and subject to performance of the Executive's duties and obligations to the Company and its Affiliates, pursuant to this Agreement or otherwise, the Executive shall receive the following:

4.1 Base Salary. Commencing on the date hereof, the Company shall pay the Executive a base salary at the rate of Two Hundred Eighty Five Thousand Dollars ($285,000) per year, payable in accordance with the payroll practices of the Company for its executives and subject to such increases as the Board of Directors of the Company (the "Board") in its sole discretion may determine from time to time (the "Base Salary").

4.2 Bonus.

(a) Formula Bonus. Subject to Section 5 hereof, the Company shall pay the Executive a bonus in each fiscal year that he is an employee (the "Bonus") within 75 days of the end of the fiscal year in which such Bonus is earned. The amount of the Bonus shall be determined by the Board based on the Company's achievement of pre-established annual targets (each annual target being referred to as "Target"), which shall be based upon the Company's EBITDA. The term "EBITDA" shall mean earnings before interest, taxes, depreciation, amortization, Leadership Team bonuses, and loss or gain on sale or disposal of assets outside of the ordinary course of business (including sales of stores), all as reflected on the Company's financial statements as regularly and consistently prepared. No Bonus shall be paid unless 90% of Target is exceeded in the applicable fiscal year. The Executive shall receive a bonus of seventy five one thousandths of one percent (0. 075%) of his Base Salary for every one- hundredth of one percent (0.01%) (rounded to the nearest hundredth) in excess of 90% of Target that is achieved in the applicable fiscal year. By way of example only, if 100% of Target is achieved, Executive would receive a Bonus under this Section 4.2(a) equal to 75% of Executive's Base Salary.

(b) Discretionary Bonus. The Executive shall also be eligible for an annual discretionary bonus, the amount of which is determined in the sole discretion of the CEO based on subjective and objective criteria established by the CEO, of up to 25% of Base Salary.

(c) Pro-Ration. Anything to the contrary in this Agreement notwithstanding, any Bonus payable to the Executive in this Agreement for any period of service less than a full year shall be prorated by multiplying (x) the amount of the Bonus otherwise payable for the applicable fiscal year in accordance with this Section 4.2 by (y) a fraction, the denominator of which shall be 365 and the numerator of which shall be the number of days during the applicable fiscal year for which the Executive was employed by the Company.

4.3 Vacations. During the Term, the Executive shall be entitled to four weeks of vacation per calendar year, to be taken at such times and intervals as shall be determined by the Executive, subject to the reasonable business needs of the Company. The Executive may not accumulate or carry over from one calendar year to another any unused, accrued vacation time. The Executive shall not be entitled to compensation for vacation time not taken.

4.4 Other Benefits. During the Term and subject to any contribution therefor required of executives of the Company generally, the Executive shall be entitled to participate in all employee benefit plans, including without limitation any 401(k) plan, from time to time adopted by the Board and in effect for executives of the Company generally (except to the extent such plans are in a category of benefit otherwise provided the Executive hereunder). Such participation shall be subject to (i) the terms of the applicable plan documents and (ii) generally applicable policies of the Company. The Company may alter, modify, add to or delete any aspects of its employee benefit plans at any time as the Board, in its sole judgment, determines to be appropriate.

4.5 Business Expenses. The Company shall pay or reimburse the Executive for all reasonable business expenses, including without limitation the cost of first class air travel and dues for industry-related association memberships, incurred or paid by the Executive in the performance of his duties and responsibilities hereunder, subject to (i) any expense policy of the Company set by the Board from time to time, and (ii) such reasonable substantiation and documentation requirements as may be specified by the Board or CEO from time to time.

4.6 Airline Clubs. Upon receiving the prior written approval of the CEO authorizing the Executive to join a particular airline club, the Company shall pay or reimburse the Executive for dues for not less than two nor more than four airline clubs, provided such club memberships serve a direct business purpose and subject to such reasonable substantiation and documentation requirements as to cost and purpose as may be specified by the CEO from time to time.

4.7 Physicals. The Company shall annually pay for or reimburse the Executive for the cost of a physical examination and health evaluation performed by a licensed medical doctor, subject to such reasonable substantiation and documentation requirements as to cost as may be specified by the Board or CEO from time to time.

4.8 Nonqualified Plan. The Executive agrees that the Company may amend its nonqualified deferred compensation plan to exclude the Executive from receiving benefits based upon any deferral matching credit or formula.

5. Termination of Employment and Severance Benefit. Notwithstanding the provisions of Section 2 hereof, the Executive's employment hereunder shall terminate prior to the expiration of the term of this Agreement under the following circumstances:

5.1 Retirement or Death. In the event of the Executive's retirement or death during the Term, the Executive's employment hereunder shall immediately and automatically terminate. In the event of the Executive's retirement after the age of 65 with the prior consent of the Board or death during the Term, the Company shall pay to the Executive (or in the case of death, the Executive's designated beneficiary or, if no beneficiary has been designated by the Executive, to his estate) any Base Salary earned but unpaid through the date of such retirement or death, any Bonus for the fiscal year preceding the year in which such retirement or death occurs that was earned but has not yet been paid and, at the times the Company pays its executives bonuses in accordance with its general payroll policies, an amount equal to that portion of any Bonus earned but unpaid during the fiscal year of such retirement or death (prorated in accordance with Section 4.2).

5.2 Disability.

5.2.1 The Company may terminate the Executive's employment hereunder, upon notice to the Executive, in the event that the Executive becomes disabled during his employment hereunder through any illness, injury, accident or condition of either a physical or psychological nature and, as a result, is unable to perform substantially all of his duties and responsibilities hereunder for an aggregate of 120 days during any period of 365 consecutive calendar days.

5.2.2 The Board may designate another employee to act in the Executive's place during any period of the Executive's disability. Notwithstanding any such designation, the Executive shall continue to receive the Base Salary in accordance with Section 4.1 and to receive benefits in accordance with Section 4.5, to the extent permitted by the then current terms of the applicable benefit plans, until the Executive becomes eligible for disability income benefits under any disability income plan maintained by the Company, or until the termination of his employment, whichever shall first occur. Upon becoming so eligible, or upon such termination, whichever shall first occur, the Company shall pay to the Executive any Base Salary earned but unpaid through the date of such eligibility or termination and any Bonus for the fiscal year preceding the year of such eligibility or termination that was earned but unpaid. At the times the Company pays its executives bonuses generally, the Company shall pay the Executive an amount equal to that portion of any Bonus earned but unpaid during the fiscal year of such eligibility or termination (prorated in accordance with Section 4.2). During the 18-month period from the date of such eligibility or termination, the Company shall pay the Executive, at its regular pay periods, an amount equal to the difference between the Base Salary and the amounts of disability income benefits that the Executive receives pursuant to the above-referenced disability income plan in respect of such period.

5.2.3 Except as provided in Section 5.2.2, while receiving disability income payments under any disability income plan maintained by the Company, the Executive shall not be entitled to receive any Base Salary under Section 4.1 or Bonus payments under Section 4.2 but shall continue to participate in benefit plans of the Company in accordance with Section 4.4 and the terms of such plans, until the termination of his employment. During the 18-month period from the date of eligibility or termination, whichever shall first occur, the Company shall contribute to the cost of the Executive's participation in group medical plans of the Company, provided that the Executive is entitled to continue such participation under applicable law and plan terms.

5.2.4 If any question shall arise as to whether during any period the Executive is disabled through any illness, injury, accident or condition of either a physical or psychological nature so as to be unable to perform substantially all of his duties and responsibilities hereunder, the Executive may, and at the request of the Company shall, submit to a medical examination by a physician selected by the Company to whom the Executive or his duly appointed guardian, if any, has no reasonable objection, to determine whether the Executive is so disabled and such determination shall for the purposes of this Agreement be conclusive of the issue. If such question shall arise and the Executive shall fail to submit to such medical examination, the Board's determination of the issue shall be binding on the Executive.

5.3 By the Company for Cause. The Company may terminate the Executive's employment hereunder for Cause at any time upon notice to the Executive setting forth in reasonable detail the nature of such Cause. The following events or conditions shall constitute "Cause" for termination: (i) Executive's willful failure to perform (other than by reason of disability), or gross negligence in the performance of his duties to the Company or any of its Affiliates and the continuation of such failure or negligence for a period of ten (10) days after notice to the Executive; (ii) the Executive's willful failure to perform (other than by reason of disability) any lawful and reasonable directive of the CEO; (iii) the commission of fraud, embezzlement or theft by the Executive with respect to the Company or any of its Affiliates; or (iv) the conviction of the Executive of, or plea by the Executive of nolo contendere to, any felony or any other crime involving dishonesty or moral turpitude. Anything to the contrary in this Agreement notwithstanding, upon the giving of notice of termination of the Executive's employment hereunder for Cause, the Company and its Affiliates shall have no further obligation or liability to the Executive hereunder, other than for Base Salary earned but unpaid through the date of termination. Without limiting the generality of the foregoing, the Executive shall not be entitled to receive any Bonus amounts which have not been paid prior to the date of termination.

5.4 By the Company Other Than for Cause. The Company may terminate the Executive's employment hereunder other than for Cause at any time upon notice to the Executive. In the event of such termination, the Company shall pay the Executive: (i) Base Salary earned but unpaid through the date of termination, plus (ii) monthly severance payments, each in an amount equal to the Executive's monthly base compensation in effect at the time of such termination (i.e., 1/12th of the Base Salary) for the period equal to the greater of the remainder of the Term, provided should termination occur during the original Term or during any written extension thereof, or twelve (12) months, plus (iii) any unpaid portion of any Bonus for the fiscal year preceding the year in which such termination occurs that was earned but has not been paid, plus (iv) at the times the Company pays its executives bonuses generally, an amount equal to that portion of any Bonus earned but unpaid during the fiscal year of such termination (prorated in accordance with Section 4.2).

5.5 By the Executive for Good Reason. The Executive may terminate his employment hereunder for Good Reason, upon notice to the Company setting forth in reasonable detail the nature of such Good Reason. The following shall constitute "Good Reason" for termination by the Executive: (i) any material diminution in the nature and scope of the Executive's responsibilities, duties, authority or title; (ii) material failure of the Company to provide the Executive the Base Salary and benefits in accordance with the terms of Section 4 hereof; or (iii) relocation of the Executive's office to a location outside a 50-mile radius of the Company's current headquarters in Ann Arbor, Michigan. In the event of termination in accordance with this Section 5.5, then the Company shall pay the Executive the amounts specified in Section 5.4.

5.6 By the Executive Other Than for Good Reason. The Executive may terminate his employment hereunder at any time upon 90 days written notice to the Company. In the event of termination of the Executive's employment pursuant to this Section 5.6, the CEO or the Board may elect to waive the period of notice, or any portion thereof. The Company will pay the Executive his Base Salary for the notice period, except to the extent so waived by the Board. Upon the giving of notice of termination of the Executive's employment hereunder pursuant to this Section 5.6, the Company and its Affiliates shall have no further obligation or liability to the Executive, other than (i) payment to the Executive of his Base Salary for the period (or portion of such period) indicated above, (ii) continuation of the provision of the benefits set forth in Section 4.4 for the period (or portion of such period) indicated above, and (iii) any unpaid portion of any Bonus for the fiscal year preceding the year in which such termination occurs that was earned but has not been paid.

5.7 Post-Agreement Employment. In the event the Executive remains in the employ of the Company or any of its Affiliates following termination of this Agreement, by the expiration of the Term or otherwise, then such employment shall be at will.

6. *Effect of Termination of Employment*. The provisions of this Section 6 shall apply in the event of termination of Executive's employment, whether due to the expiration of the Term, pursuant to Section 5, or otherwise.

6.1 *Payment in Full*. Payment by the Company or its Affiliates of any Base Salary, Bonus or other specified amounts that are due to the Executive under the applicable termination provision of Section 5 shall constitute the entire obligation of the Company and its Affiliates to the Executive, except that nothing in this Section 6.1 is intended or shall be construed to affect the rights and obligations of the Company or its Affiliates, on the one hand, and the Executive, on the other, with respect to any option plans, option agreements, subscription agreements, stockholders agreements or other agreements to the extent said rights or obligations therein survive termination of employment.

6.2 *Termination of Benefits*. If Executive is terminated by the Company without Cause, or terminates his employment with the Company for Good Reason, and provided that Executive elects continuation of health coverage pursuant to Section 601 through 608 of the Employee Retirement Income Security Act of 1974, as amended ("COBRA"), Company shall pay Executive an amount equal to his monthly COBRA premiums for a period equal to the period remaining in the Term after termination; provided further, such payment will cease upon Executive's entitlement to other health insurance without charge. Except for medical insurance coverage continued pursuant to Section 5.2 hereof, all other benefits shall terminate pursuant to the terms of the applicable benefit plans based on the date of termination of the Executive's employment without regard to any continuation of Base Salary or other payments to the Executive following termination of his employment.

6.3 *Survival of Certain Provisions*. Provisions of this Agreement shall survive any termination of employment if so provided herein or if necessary to accomplish the purpose of other surviving provisions, including, without limitation, the obligations of the Executive under Sections 7 and 8 hereof. The obligation of the Company to make payments to or on behalf of the Executive under Sections 5.2, 5.4 or 5.5 hereof is expressly conditioned upon the Executive's continued full performance of his obligations under Sections 7 and 8 hereof. The Executive recognizes that, except as expressly provided in Section 5.2, 5.4 or 5.5, no compensation is earned after the termination of his employment.

7. Confidential Information; Intellectual Property.

7.1 Confidentiality. The Executive acknowledges that the Company and its Affiliates continually develop Confidential Information (as that term is defined in Section 11.2, below); that the Executive may develop Confidential Information for the Company or its Affiliates and that the Executive may learn of Confidential Information during the course of his employment. The Executive will comply with the policies and procedures of the Company and its Affiliates for protecting Confidential Information and shall never use or disclose to any Person (except as required by applicable law or for the proper performance of his duties and responsibilities to the Company) any Confidential Information obtained by the Executive incident to his employment or other association with the Company and its Affiliates. The Executive understands that this restriction shall continue to apply after his employment terminates, regardless of the reason for such termination.

7.2 Return of Documents. All documents, records, tapes and other media of every kind and description relating to the business, present or otherwise, of the Company and its Affiliates and any copies, in whole or in part, thereof (the "Documents"), whether or not prepared by the Executive, shall be the sole and exclusive property of the Company and its Affiliates. The Executive shall safeguard all Documents and shall surrender to the Company and its Affiliates at the time his employment terminates, or at such earlier time or times as the Board or CEO designee may specify, all Documents then in the Executive's possession or control.

7.3 Assignment of Rights to Intellectual Property. The Executive shall promptly and fully disclose all Intellectual Property to the Company. The Executive hereby assigns to the Company (or as otherwise directed by the Company) the Executive's full right, title and interest in and to all Intellectual Property. The Executive shall execute any and all applications for domestic and foreign patents, copyrights or other proprietary rights and to do such other acts (including without limitation the execution and delivery of instruments of further assurance or confirmation) requested by the Company or its Affiliates to assign the Intellectual Property to the Company and to permit the Company and its Affiliates to enforce any patents, copyrights or other proprietary rights to the Intellectual Property. The Executive will not charge the Company or its Affiliates for time spent in complying with these obligations. All copyrightable works that the Executive creates shall be considered "Work For Hire" under applicable laws.

8. Restricted Activities.

8.1 Agreement Not to Compete With the Company. During the Executive's employment hereunder and for a period of 24 months following the date of termination thereof (the "Non-Competition Period"), the Executive will not, directly or indirectly, own, manage, operate, control or participate in any manner in the ownership, management, operation or control of, or be connected as an officer, employee, partner, director, principal, member, manager, consultant, agent or otherwise with, or have any financial interest in, or aid or assist anyone else in the conduct of, any business, venture or activity which in any material respect competes with the following enumerated business activities to the extent then being conducted or being planned to be conducted by the Company or its Affiliates or being conducted or known by the Executive to being planned to be conducted by the Company or by any of its Affiliates, at or prior to the date on which the Executive's employment under this Agreement is terminated (the "Date of Termination"), in the United States or any other geographic area where such business is being conducted or being planned to be conducted at or prior to the Date of Termination (a "Competitive Business", defined below). For purposes of this Agreement, "Competitive Business" shall be defined as: (i) any company or other entity engaged as a "quick service restaurant" ("QSR") which offers pizza for sale; (ii) any "quick service restaurant" which is then contemplating entering into the pizza business or adding pizza to its menu; (iii) any entity which at the time of Executive's termination of employment with the Company, offers, as a primary product or service, products or services then being offered by the Company or which the Company is actively contemplating offering; and (iv) any entity under common control with an entity included in (i), (ii) or (iii), above. Notwithstanding the foregoing, ownership of not more than 5% of any class of equity security of any publicly traded corporation shall not, of itself, constitute a violation of this Section 8.1.

8.2 Agreement Not to Solicit Employees or Customers of the Company. During his employment and during the Non-Competition Period the Executive will not, directly or indirectly, (i) recruit or hire or otherwise seek to induce any employees of the Company or any of the Company's Affiliates to terminate their employment or violate any agreement with or duty to the Company or any of the Company's Affiliates; or (ii) solicit or encourage any franchisee or vendor of the Company or of any of the Company's Affiliates to terminate or diminish its relationship with any of them or to violate any agreement with any of them, or, in the case of a franchisee, to conduct with any Person any business or activity that such franchisee conducts or could conduct with the Company or any of the Company's Affiliates.

9. Enforcement of Covenants. The Executive acknowledges that he has carefully read and considered all the terms and conditions of this Agreement, including without limitation the restraints imposed upon his pursuant to Sections 7 and 8 hereof. The Executive agrees that said restraints are necessary for the reasonable and proper protection of the Company and its Affiliates and that each and every one of the restraints is reasonable in respect to subject matter, length of time and geographic area. The Executive further acknowledges that, were he to breach any of the covenants or agreements contained in Sections 7 or 8 hereof, the damage to the Company and its Affiliates could be irreparable. The Executive, therefore, agrees that the Company and its Affiliates, in addition to any other remedies available to it, shall be entitled to preliminary and permanent injunctive relief against any breach or threatened breach by the Executive of any of said covenants or agreements. The parties further agree that in the event that any provision of Section 7 or 8 hereof shall be determined by any court of competent jurisdiction to be unenforceable by reason of it being extended over too great a time, too large a geographic area or too great a range of activities, such provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by law.

10. Conflicting Agreements. The Executive hereby represents and warrants that the execution of this Agreement and the performance of his obligations hereunder will not breach or be in conflict with any other agreement to which or by which the Executive is a party or is bound and that the Executive is not now subject to any covenants against competition or solicitation or similar covenants or other obligations that would affect the performance of his obligations hereunder. The Executive will not disclose to or use on behalf of the Company or any of its Affiliates any proprietary information of a third party without such party's consent.

11. Definitions. Words or phrases which are initially capitalized or are within quotation marks shall have the meanings provided in this Section 11 or as specifically defined elsewhere in this Agreement. For purposes of this Agreement, the following definitions apply:

11.1 Affiliates. "Affiliates" shall mean TISM, Inc., Domino's, Inc. and all other persons and entities controlling, controlled by or under common control with the Company, where control may be by management authority or equity interest.

11.2 Confidential Information. "Confidential Information" means any and all information of the Company and its Affiliates that is not generally known by others with whom they compete or do business, or with whom they plan to compete or do business, and any and all information the disclosure of which would otherwise be adverse to the interest of the Company or any of its Affiliates. Confidential Information includes without limitation such information relating to (i) the products and services sold or offered by the Company or any of its Affiliates (including without limitation recipes, production processes and heating technology), (ii) the costs, sources of supply, financial performance and strategic plans of the Company and its Affiliates,

(iii) the identity of the suppliers to the Company and its Affiliates, and (iv) the people and organizations with whom the Company and its Affiliates have business relationships and those relationships. Confidential Information also includes information that the Company or any of its Affiliates have received belonging to others with any understanding, express or implied, that it would not be disclosed.

11.3 ERISA. "ERISA" means the federal Employee Retirement Income Security Act of 1974 and any successor statute, and the rules and regulations thereunder, and, in the case of any referenced section thereof, any successor section thereto, collectively and as from time to time amended and in effect.

11.4 Intellectual Property. "Intellectual Property" means inventions, discoveries, developments, methods, processes, compositions, works, concepts, recipes and ideas (whether or not subject to patent or copyright protection or constituting trade secrets or trademarks or service marks) conceived, made, created, developed or reduced to practice by the Executive (whether alone or with others, whether or not during normal business hours or on or off Company premises) during the Executive's employment that relate to either the business activities or any prospective activity of the Company or any of its Affiliates.

11.5 Person. "Person" means an individual, a corporation, an association, a partnership, a limited liability company, an estate, a trust and any other entity or organization.

12. Withholding. All payments made by the Company under this Agreement shall be reduced by any tax or other amounts required to be withheld by the Company under applicable law.

13. Miscellaneous.

13.1 Assignment. Neither the Company nor the Executive may assign this Agreement or any interest herein, by operation of law or otherwise, without the prior written consent of the other; provided, however, that the Company may assign its rights and obligations under this Agreement without the consent of the Executive in the event that the Company shall hereafter affect a reorganization, consolidate with, or merge into, any other Person or transfer all or substantially all of its properties or assets to any other Person, in which event such other Person shall be deemed the "Company" hereunder, as applicable, for all purposes of this Agreement; provided, further, that nothing contained herein shall be construed to place any limitation or restriction on the transfer of the Company's Common Stock in addition to any restrictions set forth in any stockholder agreement applicable to the holders of such shares. This Agreement shall inure to the benefit of and be binding upon the Company and the Executive, and their respective successors, executors, administrators, representatives, heirs and permitted assigns.

13.2 Severability. If any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the application of such provision in such circumstances shall be deemed modified to permit its enforcement to the maximum extent permitted by law, and both the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable and the remainder of this Agreement shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

13.3 Waiver; Amendment. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of either party to require the performance of any term or obligation of this Agreement, or the waiver by either party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach. This Agreement may be amended or modified only by a written instrument signed by the Executive and any expressly authorized representative of the Company.

13.4 Notices. Any and all notices, requests, demands and other communications provided for by this Agreement shall be in writing and shall be effective when delivered in person or deposited in the United States mail, postage prepaid, registered or certified, and addressed (i) in the case of the Executive, to: Patrick Knotts at ____, and (ii) in the case of the Company, to the attention of Mr. David A. Brandon, CEO, at 30 Frank Lloyd Wright Drive, Ann Arbor, Michigan 48106, or to such other address as either party may specify by notice to the other actually received.

13.5 Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes any and all prior communications, agreements and understandings, written or oral, between the Executive and the Company, or any of its predecessors, with respect to the terms and conditions of the Executive's employment.

13.6 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

13.7 Governing Law. This Agreement shall be governed by and construed in accordance with the domestic substantive laws of the State of Michigan without giving effect to any choice or conflict of laws provision or rule that would cause the application of the domestic substantive laws of any other jurisdiction.

13.8 Consent to Jurisdiction. Each of the Company and the Executive by its or his execution hereof, (i) hereby irrevocably submits to the jurisdiction of the state courts of the State of Michigan for the purpose of any claim or action arising out of or based upon this Agreement or relating to the subject matter hereof and (ii) hereby waives, to the extent not prohibited by applicable law, and agrees not to assert by way of motion, as a defense or otherwise, in any such claim or action, any claim that it or he is not subject personally to the jurisdiction of the above-named courts, that its or his property is exempt or immune from attachment or execution, that any such proceeding brought in the above-named courts is improper, or that this Agreement or the subject matter hereof may not be enforced in or by such court. Each of the Company and the Executive hereby consents to service of process in any such proceeding in any manner permitted by Michigan law, and agrees that service of process by registered or certified mail, return receipt requested, at its address specified pursuant to Section 13.4 hereof is reasonably calculated to give actual notice.

IN WITNESS WHEREOF, this Agreement has been executed by the Company, by its duly authorized representative, and by the Executive, as of the date first above written.

THE COMPANY: DOMINO'S PIZZA LLC

By: /s/

Name: David A. Brandon
Title: Chairman

THE EXECUTIVE:

/s/

Name: Patrick Knotts

EXHIBIT 3.2

(None, unless additional information is set forth below.)

EXHIBIT 10.32

[LETTER HEAD OF DOMINO'S FARMS CORPORATION]

February 7, 2000

Mr. Harry Silverman
Chief Financial Officer/Treasurer
Domino's Pizza, Inc.
30 Frank Lloyd Wright Dr.
Ann Arbor, Ml 48106

Dear Harry:

This letter refers to the lease dated December 21, 1998 between Domino's Pizza, Inc. - and Domino Farms Office Park Limited Partnership. The lease is amended to reflect the following:

1 Domino's Pizza, Inc. has the right to terminate the lease with 180 days written notice to the Landlord during the initial five (5) years from and after the lease commencement date of December 21, 1998. The lease shall be terminated without penalty if Domino's Pizza, Inc. is not in default under the lease.

2. Domino's Pizza, Inc. gives up its right under the lease to extend the term of the lease for a Second Additional Term consisting of five (5) years upon expiration of the lease's Initial Term and its First Extended Term.

Sincerely,
/s/ Paul R. Roney
Paul R. Roney
President

Agreed and Accepted:

/s/ Harry Silverman
- ---------------------------------
Harry Silverman
Chief Financial Officer/Treasurer

EXHIBIT 10.33

TISM, Inc.
30 Frank Lloyd Wright Drive
Ann Arbor, MI 48106-0997

March 23, 2000

Thomas S. Monaghan
30 Frank Lloyd Wright Drive
P.O. Box 997
Ann Arbor, MI 48106-0997

RE: Proposed R.G. Barry Corporation/Vesture Corporation Settlement Agreement

Dear Mr. Monaghan:

Reference is hereby made to the Agreement and Plan of Merger dated as of September 25, 1998 among TM Transitory Merger Corporation, TISM, Inc. and Thomas S. Monaghan, individually and as Trustee of The Thomas S. Monaghan Living Trust, as amended by Amendment No.1 thereto dated as of November 24, 1998, Amendment No. 2 thereto dated as of November 24, 1998, Amendment No. 3 thereto dated as of December 18, 1998 and Amendment No. 4 thereto dated as of December 10, 1999 (as amended, the "Merger Agreement") and to the Settlement Agreement (the "Settlement Agreement") dated the date hereof among R.G. Barry Corporation ("Barry"), Vesture Corporation ("Vesture"), Phase Change Laboratories, Inc. ("PCL") and Domino's Pizza, Inc. (as successor by merger to the Buyer, the "Surviving Corporation") relative to the litigation brought by Barry and Vesture against PCL and the Surviving Corporation in the United States District Court of the Middle District of North Carolina, Civil Action No. 1:98-CV00802 (the "Action"). Capitalized terms defined in the Merger Agreement are used in this letter as so defined.

This letter (the "Settlement Letter") sets forth our agreement as follows:

(a) contemporaneously with the payment by the Surviving Corporation of an amount equal to $5,000,000 to Barry and/or Vesture pursuant to Section 3 of the Settlement Agreement, the Principal Stockholder shall pay to the Surviving Corporation an amount equal to $4,000,000 by wire transfer in immediately available funds; and

(b) contemporaneously with the payment by the Surviving Corporation of the amount, if any, due as of March 15, 2002 to Barry and/or Vesture pursuant to Section 4(b) of the Settlement Agreement (the "Shortfall Amount"), the Principal Stockholder shall pay to the Surviving Corporation an amount equal to 80% of the Shortfall Amount by wire transfer in immediately available funds.

Each of the Surviving Corporation and the Principal Stockholder agrees that the agreements set forth in this Settlement Letter are in full satisfaction and extinguishment of the rights and obligations of each of the Surviving Corporation and the Principal Stockholder under

Article XII the Merger Agreement with respect to the Action, any Phase Change Damages, or any other Damages arising out of or relating to the Action.

Except as specifically amended by this Settlement Letter, the Merger Agreement shall remain in full force and effect. This Settlement Letter shall be governed by and construed in accordance with the laws of the State of New York, without regard to the conflict of law rules of such state. This Settlement Letter shall become effective when signed and delivered by each party hereto.

Please indicate your agreement with the foregoing by executing the enclosed copy of this letter and returning it to:

Ropes & Gray
One International Place
Boston, MA 02110
Attention: R. Newcomb Stillwell
Facsimile: 617-951-7050

Very truly yours,

TISM, Inc.

By: /s/Harry J. Silverman

Name: Harry J. Silverman
Title: CFO-Vice President

The foregoing is hereby
Agreed to and accepted:

By: /s/Thomas S. Monaghan

Name: Thomas S. Monaghan

Cc: Dennis S. Hersch, Esq.

Exhibit 21.1

SIGNIFICANT SUBSIDIARIES OF DOMINO'S INC.

Domino's Pizza LLC	Michigan
Domino's Franchise Holding Co.	Michigan
Domino's Pizza PMC, Inc.	Michigan
Domino's Pizza California LLC	California
DP CA COMM INC.	Michigan
DP CA CORP INC.	Michigan
Domino's Pizza International, Inc.	Delaware
Domino's Pizza International Payroll Services, Inc.	Florida
Domino's Pizza Government Services Division, Inc.	Texas
Domino's Pizza NS Co.	Canada
Domino's Pizza of Canada, Inc.	Canada
Domino's Pizza of France S.A.S.	France

EXHIBIT 99.1

Risk Factors

This Annual Report on Form 10-K includes various forward-looking statements about Domino's that are subject to risks and uncertainties. Forward-looking statements include information concerning future results of operations, and business strategy. Also, statements that contain words such as "believes," "expects," "anticipates," "intends," "estimated" or similar expressions are forward-looking statements. We have based these forward looking statements on our current expectations and projections about future events. While we believe these expectations and projections are reasonable, such forward-looking statements are inherently subject to risks, uncertainties and assumptions about us, including the following factors. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this Annual Report on Form 10-K might not occur.

Our substantial indebtedness could adversely affect our financial health and severely limit our ability to plan for or respond to changes in our business. In addition, we are permitted to incur substantially more debt in the future, which could aggravate these risks described below.

To finance the 1998 recapitalization, we have incurred a significant amount of indebtedness. Further, the terms of the indenture relating to our senior subordinated notes permit us to incur substantial indebtedness in the future, including up to an addition $100 million under our revolving credit facility. Our ability to make payment on and to refinance our indebtedness will depend on our ability to generate cash in the future. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. Based on our current level of operations, we believe our cash flow from operations and available borrowings under our new revolving credit facility will be adequate to meet our liquidity needs over the next several years.

We cannot assure you, however, that our business will generate sufficient cash flow from operations, or that future borrowings will be available to us under our revolving credit facility in amounts sufficient to enable us to pay our indebtedness or to fund our other liquidity needs. If we cannot generate sufficient cash flow from operations to pay our indebtedness when due, we may need to refinance all or a portion of our indebtedness on or before maturity, sell assets, delay capital expenditures, or seek additional equity. We cannot assure you that we will be able to refinance any of our indebtedness on commercially reasonable terms or at all or that any other action can be effected on satisfactory terms, if at all.

Our substantial indebtedness could have other important consequences. For example, it could:

- increase our vulnerability to general adverse economic and industry conditions;

- require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow for other purposes;

- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate, thereby placing us at a competitive disadvantage compared to our competitors that may have less debt;

- limit, by the financial and other restrictive covenants in the indebtedness, among other things, our ability to borrow additional funds; and

- have a material adverse effect on us if we fail to comply with the covenants in our indebtedness because such failure could result in an event of default which, if not cured or waived, could result in a substantial amount of our indebtedness becoming immediately due and payable.

The pizza delivery market is highly competitive, and increased competition could adversely affect our operating results.

We believe we compete on the basis of product quality, delivery time, service and price. We compete in the United States against three national chains, Pizza Hut, Papa John's and, to a lesser extent, Little Caesars, along with regional and local concerns. Although we believe we are well positioned to compete because of our leading market position, focus and expertise in the pizza delivery business and strong national brand name recognition, we could experience increased competition from existing or new companies and loss of market share, which could have an adverse effect on our operating results.

We also compete on a broader scale with other international, national, regional and local restaurants and quick-service eating establishments. No reasonable estimate can be made of the number of competitors on this scale. The overall food service industry and the quick-service eating establishment segment are intensely competitive with respect to food quality, price, service, convenience and concept, and are often affected by changes in consumer tastes; national, regional or local economic conditions; currency fluctuations to the extent international operations are involved; demographic trends; and disposable purchasing power. We compete within the food service industry and the quick-service eating establishment segment not only for customers, but also for management and hourly personnel, suitable real estate sites and qualified franchisees.

We do not have written contracts with most of our suppliers, and as a result they could seek to significantly increase prices or fail to deliver as required.

We have historically had long-lasting relationships with our suppliers. More than half of our major suppliers have been with us for over 15 years. As a result, we typically rely on oral rather than written contracts with our suppliers. Although we have not experienced significant problems with our suppliers, there can be no assurance that our suppliers will not implement significant price increases or that suppliers will meet our requirements in a timely fashion, if at all. The occurrence of any of the foregoing could have a material adverse effect on our operating results.

Increases in food, labor and other costs could adversely affect our profitability and operating results.

An increase in our operating costs could adversely affect our profitability. Factors such as inflation, increased food costs, increased labor and employee benefit costs and the availability of qualified management and hourly employees may adversely affect our operating costs. Most of the factors affecting costs are beyond our control. Most products used in our pizza, particularly cheese, are subject to price fluctuations, seasonality, weather, demand and other factors. Labor costs are primarily a function of minimum wage and availability of labor. Cheese and labor costs of a typical store represent approximately 10.0% and 30.0% of store sales, respectively, although we only bear such costs at our Company-owned stores.

If we fail to successfully implement our growth strategy, our ability to increase our revenues and operating profit could be adversely affected.

We have grown rapidly in recent periods. We intend to continue our growth strategy primarily by increasing the number of our domestic and international stores. We and our franchisees face many challenges in opening new stores, including, among others:

- selection and availability of suitable store locations;
- negotiation of acceptable lease or financing terms;
- securing of required domestic or foreign governmental permits and approvals; and
- employment and training of qualified personnel.

The opening of additional franchises also depends, in part, upon the availability of prospective franchisees who meet our criteria. Our failure to add a significant number of new stores would adversely affect our ability to increase revenue and operating income. In addition, although we have successfully tested the Delivery Express concept, we have not yet opened a significant number of Delivery Express stores and cannot predict with certainty the success of the concept on a widespread basis.

Our international operations subject us to additional risks which may differ in each country in which we do business.

Our financial condition and results of operation may be adversely affected when global markets in which our franchised stores compete are affected by changes in political, economic or other factors. These factors over which neither we nor our franchisees have control may include changes in exchange rates, inflation rates, recessionary or expansive trends, tax changes, legal and regulatory changes or other external factors. We are currently planning to expand our international operations which may increase the effect of these factors.

Our business depends on the retention of our current senior executives and the recruitment and retention of qualified personnel

Our success will continue to depend to a significant extent on our executive team and other key management personnel. We have entered into employment agreements with certain of our executive officers. There can be no assurance that we will be able to retain our executive officers and key personnel or attract additional qualified management. Our success also will continue to depend on our ability to attract and retain qualified personnel to operate our stores, distribution centers and international operations. The loss of these employees or our inability to recruit and retain qualified employees could have a material adverse effect on our operating results.

The ability of the Company to take major corporate actions is limited by the TISM stockholders agreement.

In connection with the recapitalization, all of the stockholders of TISM entered into a stockholders agreement which provides, among other things, that the approval of the holders of a majority of the voting stock of TISM subject to the stockholders agreement will be required for TISM or its subsidiaries, including the Company, to take various specified actions, including among others, major corporate transactions such as a sale or initial public offering, acquisitions and divestitures, financings, recapitalizations and mergers, as well as other actions such as hiring and firing senior managers, setting management compensation and establishing capital and operating budgets and business plans. Pursuant to the stockholders agreement and the Articles of Incorporation of TISM, the Bain Capital funds will have the power to block any such transaction or action and to elect up to half of the Board of Directors of TISM.

We may not have the ability to raise the funds necessary to finance the change of control offer required by our indenture.

Upon the occurrence of certain specific kinds of change of control events, we must offer to repurchase all outstanding Notes. It is possible, however, that we will not have sufficient funds at the time of the change of control to make the required repurchase of the Notes or that restrictions in our senior credit facilities will not allow such repurchases. In addition, certain important corporate events, such as leveraged recapitalizations that would increase the level of our indebtedness, would not constitute a change of control under the indenture.

The occurrences of certain of the events that would constitute a change of control under the indenture would constitute a default under the senior credit facilities. Our senior indebtedness and the senior indebtedness of our subsidiaries may also contain prohibitions of certain events that would constitute a change of control. Moreover, the exercise by the holders of the Notes of their right to require us to repurchase the Notes could cause a default under such senior indebtedness, even if the change of control itself does not, due to the financial effect on us of such repurchase. The terms of the senior credit facilities will, and other senior debt may, prohibit the prepayment of the Notes by us prior to their scheduled maturity. Consequently, if we are not able to prepay the indebtedness under the senior credit facilities and any other senior indebtedness containing similar restrictions, we will be unable to fulfill our repurchase obligations if holders of the Notes exercise their repurchase rights following a change of control, thereby resulting in a default under the indenture.

There can be no assurance that our current insurance coverage will be adequate, that insurance premiums for such coverage will not increase or that in the future we will be able to obtain insurance at acceptable rates, if at all.

Through December 19, 1998, we self-insured our commercial general liability, automobile liability, and workers' compensation liability exposures up to levels ranging from $500,000 to $1 million per occurrence, and maintained excess and umbrella insurance coverage above those levels up to amounts ranging from $60 million to $105 million per occurrence on our commercial general liability and automobile liability policies and up to statutory limits on our workers' compensation policies. Effective December 20, 1998, we acquired first-dollar insurance coverage for all of the above exposures, with total coverage of $106 million per occurrence on our commercial general liability and automobile liability policies and up to statutory limits on our workers' compensation policies. We also maintain commercial property liability insurance. These policies provide a variety of coverages and are subject to various limitations, exclusions and deductibles. There can be no assurance that such liability limitations will be adequate, that insurance premiums for such coverage will not increase or that in the future we will be able to obtain insurance at acceptable rates, if at all. Any such inadequacy of or inability to obtain insurance coverage could have a material adverse effect on our business, financial condition and results of operations