

SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 10, 2000  
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OR

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

For the transition period from: \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 333-74797

Domino's, Inc.

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

38-3025165  
(I.R.S. Employer  
Identification Number)

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

(734) 930-3030  
(Registrant's telephone number, including area code)

Indicate by check mark whether registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (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  No

The number of shares outstanding of the registrant's common stock as of October 16, 2000 was 10 shares.

Domino's, Inc.

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PART I. FINANCIAL INFORMATION  
Item 1. Financial Statements

Domino's, Inc. and Subsidiaries  
Condensed Consolidated Balance Sheets

(in thousands)	September 10, 2000 (Unaudited)	January 2, 2000 (Note)
Assets	-----	-----
Current assets:		
Cash	\$ 26,655	\$ 30,278
Accounts receivable	46,456	40,902
Notes receivable	4,737	5,172
	-----	-----
Inventories	16,258	18,624
Prepaid expenses and other	5,382	14,890
Deferred income taxes	10,498	10,498
	-----	-----
Total current assets	109,986	120,364
	-----	-----
Property, plant and equipment:		
Land and buildings	14,253	14,246
Leasehold and other improvements	55,413	54,538
Equipment	118,833	117,018
Construction in progress	5,067	3,548
	-----	-----
	193,566	189,350
Accumulated depreciation and amortization	113,117	116,287
	-----	-----
Property, plant and equipment, net	80,449	73,063
	-----	-----
Other assets:		
Deferred income taxes	72,214	73,038
Deferred financing costs	32,750	37,208
Goodwill	15,823	16,034
Covenants not-to-compete	9,126	16,970
Capitalized software	26,627	26,113
Other	19,039	18,340
	-----	-----
Total other assets	175,579	187,703
	-----	-----
Total assets	\$ 366,014	\$ 381,130
	=====	=====
Liabilities and stockholder's deficit		
Current liabilities:		
Current portion of long-term debt	\$ 15,867	\$ 21,438
Accounts payable	32,970	35,108
Insurance reserves	6,967	7,152
Accrued restructuring	956	3,020
Accrued income taxes	3,702	804
Other accrued liabilities	55,045	58,586
	-----	-----
Total current liabilities	115,507	126,108
	-----	-----

Long-term liabilities:		
Long-term debt, less current portion	681,213	696,132
Insurance reserves	11,302	15,485
Other accrued liabilities	22,490	22,371
	-----	-----
Total long-term liabilities	715,005	733,988
	-----	-----
Stockholder's deficit:		
Common stock	-	-
Additional paid-in capital	120,202	120,202
Retained deficit	(584,420)	(599,292)
Accumulated other comprehensive income	(280)	124
	-----	-----
Total stockholder's deficit	(464,498)	(478,966)
	-----	-----
Total liabilities and stockholder's deficit	\$ 366,014	\$ 381,130
	=====	=====

Note: The balance sheet at January 2, 2000 has been derived from the audited consolidated financial statements at that date but does not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements.

See accompanying notes.

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Domino's, Inc. and Subsidiaries  
Condensed Consolidated Statements of Income  
(Unaudited)

(in thousands)	Fiscal Quarter Ended		Three Fiscal Quarters Ended	
	September 10, 2000	September 12, 1999	September 10, 2000	September 12, 1999
	-----		-----	
Revenues:				
Corporate stores	\$ 85,298	\$ 88,081	\$ 263,713	\$ 258,443
Domestic franchise royalties	27,197	26,602	82,179	79,761
Domestic distribution	140,770	144,008	412,599	411,520
International	14,561	13,212	43,143	39,059
	-----	-----	-----	-----
Total revenues	267,826	271,903	801,634	788,783
	-----	-----	-----	-----
Operating expenses:				
Cost of sales	200,543	201,018	591,685	581,570
General and administrative	41,725	50,756	132,349	148,390
Restructuring	-	1,958	-	3,581
	-----	-----	-----	-----
Total operating expenses	242,268	253,732	724,034	733,541
	-----	-----	-----	-----
Income from operations	25,558	18,171	77,600	55,242
Interest income	675	289	1,738	618
Interest expense	17,570	17,028	52,363	51,190
	-----	-----	-----	-----
Income before provision (benefit) for income taxes and extraordinary item	8,663	1,432	26,975	4,670
Provision (benefit) for income taxes	3,724	678	11,569	(660)
	-----	-----	-----	-----
Income before extraordinary item	4,939	754	15,406	5,330
Loss on debt extinguishment, net of tax benefit of \$111	181	-	181	-
	-----	-----	-----	-----
Net income	\$ 4,758	\$ 754	\$ 15,225	\$ 5,330
	=====	=====	=====	=====

See accompanying notes.

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Domino's, Inc. and Subsidiaries  
Condensed Consolidated Statements of Cash Flows  
(Unaudited)

	Three Fiscal Quarters Ended	
	September 10, 2000	September 12, 1999
	-----	-----
(In thousands)		
Cash flows from operating activities:		
Net cash provided by operating activities	\$ 40,565	\$ 33,235
	-----	-----
Cash flows from investing activities:		
Purchases of property, plant and equipment, and franchise stores and commissaries	(27,756)	(22,023)
Other	4,467	4,408
	-----	-----
Net cash used in investing activities	(23,289)	(17,615)
	-----	-----
Cash flows from financing activities:		
Repayments of long-term debt	(20,459)	(3,945)
Distributions	(353)	-
Capital contribution	-	1,465
	-----	-----
Net cash used in financing activities	(20,812)	(2,480)
	-----	-----
Effect of exchange rate changes on cash	(87)	119
	-----	-----
Increase (decrease) in cash	(3,623)	13,259
	-----	-----
Cash, at beginning of period	30,278	115
	-----	-----
Cash, at end of period	\$ 26,655	\$ 13,374
	=====	=====

See accompanying notes.

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Domino's, Inc. and Subsidiaries

Notes to Condensed Consolidated Financial Statements  
(Unaudited; tabular amounts in thousands)

September 10, 2000

1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. In the opinion of management, all adjustments, consisting of normal recurring accruals, considered necessary for a fair presentation have been included. Operating results for the fiscal quarter and three fiscal quarters ended September 10, 2000 are not necessarily indicative of the results that may be expected for the year ended December 31, 2000. For further information, refer to the consolidated financial statements and footnotes thereto for the year ended January 2, 2000

included on our Form 10-K.

## 2. Comprehensive Income

	Fiscal Quarter Ended		Three Fiscal Quarters Ended	
	September 10, 2000	September 12, 1999	September 10, 2000	September 12, 1999
Net income	\$ 4,758	\$ 754	\$ 15,225	\$ 5,330
Currency translation adjustment	(131)	38	(227)	95
Unrealized gain (loss) on investments, net of tax	(115)	8	(176)	39
Comprehensive income	\$ 4,512	\$ 800	\$ 14,822	\$ 5,464

## 3. Restructuring

In fiscal 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, as defined below. The staff reduction costs were incurred during the second, third and fourth quarters of 1999, in connection with the reduction of 90 corporate and administrative employees. As of September 10, 2000, the Company had paid \$6.2 million of the staff reduction costs and management expects the remaining amount to be paid during fiscal 2000.

The exit costs were recorded in the fourth quarter of 1999 in connection with the planned closure and relocation of 50 specifically identified corporate-owned stores. The exit cost liability is comprised of the operating lease obligations after the expected closure or relocation dates and related leased premises restoration costs. As of September 10, 2000, 22 corporate-owned stores have been relocated as a part of the restructuring. Management expects that the remaining exit cost liabilities will be paid as the related obligations become due.

## 4. Debt Extinguishment

In the third fiscal quarter of 2000, the Company retired \$5.0 million of outstanding senior subordinated notes through open market transactions. The Company recognized a gain of approximately \$213,000 reflecting the difference between the face value of the notes and the open market purchase price. The Company also paid approximately \$207,000 in non-recurring amendment fees and recorded approximately \$297,000 of amortization of deferred financing costs related to this transaction. This retirement resulted in an after-tax extraordinary loss of approximately \$181,000.

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## 5. Segment Data

The following table summarizes revenues and earnings before interest, taxes, depreciation and amortization (EBITDA) for each of the Company's reportable segments.

	Fiscal quarter ended September 10, 2000 and September 12, 1999					Total
	Domestic Stores	Domestic Distribution	International	Intersegment Revenues	Other	
Revenues -						
2000	\$112,495	\$164,434	\$14,561	\$ (23,664)	\$ -	\$267,826
1999	114,683	168,515	13,212	(24,507)	-	271,903
EBITDA -						
2000	28,657	7,812	3,511	-	(6,449)	33,531
1999	31,142	6,585	2,406	-	(10,071)	30,062

	Three fiscal quarters ended September 10, 2000 and September 12, 1999					Total
	Domestic Stores	Domestic Distribution	International	Intersegment Revenues	Other	

Revenues -						
2000	\$345,892	\$483,829	\$43,143	\$(71,230)	\$ -	\$801,634
1999	338,204	480,109	39,059	(68,589)	-	788,783
EBITDA -						
2000	92,110	23,999	9,494	-	(24,299)	101,304
1999	93,388	19,037	6,740	-	(27,413)	91,752

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

	Fiscal quarter ended		Three fiscal quarters ended	
	September 10, 2000	September 12, 1999	September 10, 2000	September 12, 1999
Total EBITDA	\$ 33,531	\$ 30,062	\$101,304	\$ 91,752
Depreciation and amortization	(7,756)	(11,883)	(23,100)	(36,575)
Interest expense	(17,570)	(17,028)	(52,363)	(51,190)
Interest income	675	289	1,738	618
Gain (loss) on sale of plant and equipment	(217)	(8)	(604)	65
Income before provision (benefit) for income taxes and extraordinary item	\$ 8,663	\$ 1,432	\$ 26,975	\$ 4,670

No customer accounted for more than 10% of total consolidated revenues in the fiscal quarter or three fiscal quarters ended September 10, 2000 and September 12, 1999.

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## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The 2000 and 1999 third fiscal quarters referenced herein represent the twelve-week periods ended September 10, 2000 and September 12, 1999, respectively. The 2000 and 1999 three fiscal quarters referenced herein represent the thirty-six weeks ended September 10, 2000 and September 12, 1999, respectively.

### Results of Operations

#### Revenues

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

Total revenues decreased 1.5% to \$267.8 million for the fiscal quarter ended September 10, 2000, from \$271.9 million for the comparable period in 1999, and increased 1.6% to \$801.6 million for the three fiscal quarters ended September 10, 2000, from \$788.8 million for the comparable period in 1999. The decrease in total revenues for the fiscal quarter ended September 10, 2000 is due primarily to decreased corporate store and domestic distribution revenues while the increase in total revenues for the three fiscal quarters ended September 10, 2000 is due primarily to increased domestic stores and international revenues. These results are more fully described below.

#### Domestic Stores

Corporate Stores. Revenues from corporate store operations decreased 3.2% to \$85.3 million for the fiscal quarter ended September 10, 2000, from \$88.1 million for the comparable period in 1999, and increased 2.0% to \$263.7 million for the three fiscal quarters ended September 10, 2000, from \$258.4 million for the comparable period in 1999.

The decrease in revenues for the fiscal quarter ended September 10, 2000 is due primarily to a decrease in same store sales while the increase in revenues for the three fiscal quarters ended September 10, 2000 is due primarily to an increase in the number of corporate stores offset in part by a decrease in same store sales. Same store sales for corporate stores decreased 3.7% and 0.6% for the fiscal quarter and three fiscal quarters ended September 10, 2000, respectively, compared to the same period in 1999. The number of corporate stores was 657 as of September 10, 2000, as compared to 654 as of September 12, 1999.

Domestic Franchise. Revenues from domestic franchise operations increased 2.2% to \$27.2 million for the fiscal quarter ended September 10, 2000, from \$26.6 million for the comparable period in 1999, and increased 3.0% to \$82.2 million for the three fiscal quarters ended September 10, 2000, from \$79.8 million for the comparable period in 1999.

These increases are due primarily to an increase in the number of domestic franchise stores and changes in same store sales. Same store sales for domestic franchise stores decreased 2.0% and increased 0.9% for the fiscal quarter and three fiscal quarters ended September 10, 2000, respectively, compared to the same period in 1999. The number of domestic franchise stores was 4,089 as of September 10, 2000, as compared to 3,909 as of September 12, 1999.

#### Domestic Distribution

Revenues from domestic distribution operations decreased 2.2% to \$140.8 million for the fiscal quarter ended September 10, 2000, from \$144.0 million for the comparable period in 1999, and increased 0.3% to \$412.6 million for the three fiscal quarters ended September 10, 2000, from \$411.5 million for the comparable period in 1999.

The decrease in revenues for the fiscal quarter ended September 10, 2000 is due primarily to decreased domestic franchise same store sales, a market decrease in cheese prices and an increased demand for lower-priced fresh dough. The increase in revenues for the three fiscal quarters ended September 10, 2000 is due primarily to an increase in food volumes related to increased domestic franchise same store sales and increased store counts, offset in part by a market decrease in cheese prices and an increased demand for lower-priced fresh dough.

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#### International

Revenues from international operations increased 10.2% to \$14.6 million for the fiscal quarter ended September 10, 2000, from \$13.2 million for the comparable period in 1999, and increased 10.5% to \$43.1 million for the three fiscal quarters ended September 10, 2000, from \$39.1 million for the comparable period in 1999.

These increases are due primarily to an increase in the number of international franchise stores and an increase in same store sales. On a constant dollar basis, same store sales increased by 3.7% and 3.5% for the fiscal quarter and three fiscal quarters ended September 10, 2000, respectively, compared to the same period in 1999. The number of international stores was 2,069 as of September 10, 2000, as compared to 1,821 as of September 12, 1999.

#### Operating Expenses

Cost of sales decreased 0.2% to \$200.5 million for the fiscal quarter ended September 10, 2000, from \$201.0 million for the comparable period in 1999, and increased 1.7% to \$591.7 million for the three fiscal quarters ended September 10, 2000, from \$581.6 million for the comparable period in 1999. Gross profit decreased 5.1% to \$67.3 million for the fiscal quarter ended September 10, 2000, from \$70.9 million for the comparable period in 1999, and increased 1.3% to \$209.9 million for the three fiscal quarters ended September 10, 2000, from \$207.2 million for the comparable period in 1999.

The decrease in gross profit for the fiscal quarter ended September 10, 2000 is due primarily to a decrease in total revenues and an increase in corporate store labor expense. This decrease was partially offset by lower food costs due to an increased demand for fresh dough, which costs less to produce than our thin crust and deep dish products. The increase in gross profit for the three fiscal quarters ended September 10, 2000 is due primarily to an increase in total revenues and lower food costs due to an increased demand for fresh dough. This increase was partially offset by increases in corporate store labor and delivery expenses.

General and administrative expenses decreased 17.8% to \$41.7 million for the fiscal quarter ended September 10, 2000, from \$50.8 million for the comparable period in 1999, and decreased 10.8% to \$132.3 million for the three fiscal quarters ended September 10, 2000, from \$148.4 million for the comparable period in 1999. As a percentage of total revenues, general and administrative expenses

decreased 3.1% to 15.6% for the fiscal quarter ended September 10, 2000 and decreased 2.3% to 16.5% for the three fiscal quarters ended September 10, 2000, compared to the same periods in 1999.

These decreases in general and administrative expense as a percentage of total revenues are due primarily to a decrease in covenants not-to-compete amortization expense and, to a lesser extent, savings realized from our corporate restructuring in late 1999. Covenants not-to-compete amortization expense decreased 66.4% to \$2.6 million for the fiscal quarter ended September 10, 2000, from \$7.8 million for the comparable period in 1999, and decreased 66.7% to \$7.9 million for the three fiscal quarters ended September 10, 2000, from \$23.6 million for the comparable period in 1999, due to the use of an accelerated amortization method.

#### Provision (Benefit) for Income Taxes

Provision (benefit) for income taxes increased \$3.0 million to \$3.7 million for the fiscal quarter ended September 10, 2000, from \$0.7 million for the comparable period in 1999, and increased \$12.3 million to \$11.6 million for the three fiscal quarters ended September 10, 2000, from a benefit of \$0.7 million for the comparable period in 1999. These increases are due primarily to a non-recurring reversal of state tax reserves of \$2.9 million, net of federal tax, in the fiscal quarter ended June 20, 1999 and increases in taxable income in 2000 compared to the same periods in 1999.

#### Liquidity and Capital Resources

We had negative working capital of \$5.5 million and cash of \$26.7 million at September 10, 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.

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As of September 10, 2000, we had \$697.1 million of long-term debt, of which \$15.9 million was classified as a current liability, there were no borrowings under our \$100 million revolving credit facility and letters of credit issued under that 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 \$40.6 million and \$33.2 million for the three fiscal quarters ended September 10, 2000 and September 12, 1999, respectively. The \$7.4 million increase is due primarily to a \$7.2 million net change in operating assets and liabilities, an increase in net income of \$9.9 million, and a \$2.7 million decrease in deferred income taxes, offset in part by a \$13.5 million decrease in depreciation and amortization.

Cash used in investing activities was \$23.3 million and \$17.6 million for the three fiscal quarters ended September 10, 2000 and September 12, 1999, respectively. The \$5.7 million increase is due primarily to a \$5.7 million increase in purchases of property, plant and equipment and franchise stores and commissaries, including \$4.8 million relating to the purchase of 15 franchise stores, and a \$2.6 million decrease in cash provided by notes receivable repayments. These increases were partially offset by a \$2.9 million increase in cash provided by proceeds from sales of property, plant and equipment, including \$3.1 million relating to the sale of 8 corporate stores.

Cash used in financing activities was \$20.8 million and \$2.5 million for the three fiscal quarters ended September 10, 2000 and September 12, 1999, respectively. The \$18.3 million increase is due primarily to additional principal payments required under our term loan agreements as a result of excess cash on hand, as defined, and a \$5.0 million extinguishment of senior subordinated notes during the fiscal quarter ended September 10, 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.

#### Forward-Looking Statements

Certain statements contained in this filing relating to capital spending levels and the adequacy of our capital resources are forward-looking. Also statements that contain words such as "believes," "expects," "anticipates," "intends," "estimates" or similar expressions are forward-looking statements. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Among these risks and uncertainties are competitive factors, increases in our operating costs, ability to retain our key personnel, our substantial leverage, ability to implement our growth and cost-saving strategies, industry trends and general economic conditions, adequacy of insurance coverage and other factors, all of which are described in the 10-K for the year ended January 2, 2000 and our other filings with the Securities and Exchange Commission. We do not undertake to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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### Item 3. Quantitative and Qualitative Disclosures About Market Risk

#### Market Risk

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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

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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 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 September 10, 2000, the total notional amount of these swap agreements was \$176.0 million.

#### Interest Rate Risk

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The Company's variable interest expense is sensitive to changes in the general level of interest rates. As of September 10, 2000, a portion of the Company's debt is borrowed at Eurodollar rates plus a blended margin rate of approximately 3.3%. At September 10, 2000, the weighted average interest rate on our \$250.9 million of variable interest debt was approximately 10.1% and the fair value of the debt approximates its carrying value.

The Company had total interest expense of approximately \$52.4 million for the three fiscal quarters ended September 10, 2000. The estimated increase in interest expense from a hypothetical 200 basis point adverse change in applicable variable interest rates would be approximately \$3.6 million.

#### Foreign Currency Forward Contracts

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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 September 10, 2000, we had no outstanding forward exchange contracts. No significant gains or losses relating to forward exchange contracts have been recognized during fiscal 2000.

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PART II. OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 2. Changes in Securities and Use Of Proceeds

None.

Item 3. Defaults Under Senior Securities

None.

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

None.

Item 5. Other Information

None.

Item 6. Exhibits and Reports on Form 8-K

a. Exhibits

Exhibit Number -----	Description -----
10.1	Employment agreement dated as of July 10, 2000 between Domino's Pizza LLC and Patricia A. Wilmot
10.2	Supplemental Indenture dated as of June 7, 2000
27	Financial Data Schedule which is submitted electronically to the Securities and Exchange Commission for information only and not deemed to be filed with the Commission.

b. Current Reports on Form 8-K

There were no reports filed on Form 8-K during the quarter ended September  
10, 2000.

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SIGNATURES

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

DOMINO'S, INC.  
(Registrant)

Date: October 24, 2000

/s/ Harry J. Silverman  
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Chief Financial Officer

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EMPLOYMENT AGREEMENT

This Employment Agreement is made as of July 10, 2000, by Domino's Pizza LLC, a Michigan corporation (the "Company") with Patricia A. Wilmot (the "Executive").

RECITALS  
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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 - PeopleFirst and the Executive wishes to accept such employment.

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

1. Employment. Subject to the terms and conditions 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.  
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  - 2.1 Initial Term. Subject to earlier termination as hereafter provided, the Executive shall be employed hereunder for an original term, commencing on the Effective Date and ending on December 31, 2002, which term may be renewed thereafter by mutual agreement. The term of the Executive's employment under this Agreement, including any renewals, is referred to as the "Term."
  - 2.2 Renewal Terms. At least six (6) months prior to the end of the initial term or any renewal term, the Company and the Executive shall determine if this Agreement will be renewed on the expiration date of the then current term, for a period of at least one year. In the event the Company chooses not to renew, the Executive will be terminated and will receive the benefits set forth in Section 5.4 below. In the event the Executive chooses not to renew, the Executive will be deemed to have provided notice under section 5.6 below.
3. Capacity and Performance.  
-----
  - 3.1 Offices. During the Term, the Executive shall serve the Company in the office of Executive Vice President - PeopleFirst. The Executive shall have such other powers, duties and responsibilities consistent with the Executive's position as Executive Vice President - PeopleFirst 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 her ability, her duties and responsibilities hereunder. During the Term, the Executive shall devote her full business time exclusively to the advancement of the business and interests of the Company and its Affiliates and to the

discharge of her 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 she currently holds and has disclosed to the CEO in Exhibit 3.2 hereof and except as otherwise may

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be approved in advance by the CEO.

4. Compensation and Benefits. During the Term, as compensation for all  
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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  
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pay the Executive a base salary at the rate of Two Hundred Forty Thousand Dollars (\$240,000) 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.  
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(a) Formula Bonus. Commencing in 2000, subject to Section 5  
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hereof, the Company shall pay the Executive a bonus in each fiscal year that she 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 five one-hundredths of one percent (0.05%) of her 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 50% of Executive's Base Salary.

(b) Discretionary Bonus. Commencing in 2000, the Executive shall  
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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 15% of Base Salary.

(c) Pro-Ration. Anything to the contrary in this Agreement  
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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  
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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  
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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,

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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  
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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 her 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  
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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  
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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  
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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 Benefits. Notwithstanding the  
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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  
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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 her 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

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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.

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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 her 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 her 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 her 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 her 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

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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 her 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 her 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

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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 her 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

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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) throughout the remainder of the Term, provided should termination occur during the original Term or during any one-year automatic extension thereof, the Term shall be deemed to expire at the end of such original Term or at the end of the current extension year, as applicable, plus (iii) any unpaid portion of any Bonus for the fiscal year

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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

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her 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

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terminate her 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 her 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 her 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  
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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  
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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  
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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

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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  
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Company without Cause, or terminates her 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 her 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 her employment.

6.3 Survival of Certain Provisions. Provisions of this Agreement  
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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 her 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 her employment.

7. Confidential Information; Intellectual Property.  
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7.1 Confidentiality. The Executive acknowledges that the Company and  
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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 her 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 her duties and responsibilities to the Company) any Confidential Information obtained by the Executive incident to her employment or other association with the Company and its Affiliates. The Executive understands that this restriction shall continue to apply after her employment terminates, regardless of the reason for such termination.

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7.2 Return of Documents. All documents, records, tapes and other  
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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 her 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  
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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.  
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8.1 Agreement Not to Compete With the Company. During the  
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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.  
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During her 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 she has  
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carefully read and considered all the terms and conditions of this Agreement, including without limitation the restraints imposed upon her 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 she to breach any of the covenants or

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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  
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that the execution of this Agreement and the performance of her 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 her 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  
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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.  
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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

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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.

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11.3 ERISA. "ERISA" means the federal Employee Retirement Income

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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

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inventions, discoveries, developments, methods, processes, compositions, works, concepts, recipes and ideas (whether or not patentable or copyrightable 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

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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

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shall be reduced by any tax or other amounts required to be withheld by the Company under applicable law.

13. Miscellaneous.

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13.1 Assignment. Neither the Company nor the Executive may assign

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this Agreement or any interest herein, by operation of law or otherwise, without the prior written consent of the other; provided,  
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however, that the Company may assign its rights and obligations under  
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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

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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: Patricia A. Wilmot 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 her 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 she is not subject personally to the jurisdiction of the above-named courts, that its or her 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/ David A. Brandon

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Name: David A. Brandon  
Title: Chairman -- CEO

THE EXECUTIVE:

/s/ Patricia A. Wilmot

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Name: Patricia A. Wilmot

EXHIBIT 3.2

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

SUPPLEMENTAL INDENTURE

Supplemental Indenture (the "Supplemental Indenture"), dated as of June 7, 2000, among Domino's Pizza L.L.C., a Michigan limited liability company, Domino's Pizza PMC, Inc., a Michigan corporation, DP CA Corp., Inc., a Michigan corporation, DP CA Comm, Inc., a Michigan corporation, and Domino's Pizza California L.L.C., a California limited liability company, (each a "Guaranteeing Subsidiary" and collectively, the "Guaranteeing Subsidiaries"), subsidiaries of Domino's, Inc. (or its permitted successor), a Delaware corporation (the "Company"), the Company, the other Guarantors (as defined in the Indenture referred to herein) and IBJ Whitehall Bank & Trust Company, as trustee under the indenture referred to below (the "Trustee").

W I T N E S S E T H

WHEREAS, the Company has heretofore executed and delivered to the Trustee an indenture (the "Indenture"), dated as of December 21, 1998, providing for the issuance of an aggregate principal amount of up to \$400.0 million of 10 3/8% Senior Subordinated Notes due 2009 (the "Notes");

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiaries shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Subsidiaries shall unconditionally guarantee all of the Company's Obligations under the Notes and the Indenture on the terms and conditions set forth herein (the "Subsidiary Guarantee"); and

WHEREAS, pursuant to Section 9.06 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiaries and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. Capitalized Terms. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.
2. Agreement to Guarantee. Each Guaranteeing Subsidiary hereby agrees as follows:
  - (a) Along with all Guarantors named in the Indenture, to jointly and severally Guarantee to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, irrespective of the validity and enforceability of the Indenture, the Notes or the obligations of the Company hereunder or thereunder, that:
    - (i) the principal of and interest on the Notes will be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of and interest on the Notes, if any, if lawful, and all other obligations of the Company to the Holders or the Trustee hereunder or thereunder will be promptly paid in full or performed, all in accordance with the terms hereof and thereof; and
    - (ii) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, that same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise. Failing payment when due of any amount so guaranteed or any performance so guaranteed for whatever reason, the Guarantors shall be jointly and severally obligated to pay the same immediately.
  - (b) The obligations hereunder shall be unconditional, irrespective of

the validity, regularity or enforceability of the Notes or the Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Notes with respect to any provisions hereof or thereof, the recovery of any judgment against the Company, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor.

- (c) The following is hereby waived: diligence presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest, notice and all demands whatsoever.
- (d) This Subsidiary Guarantee shall not be discharged except by complete performance of the obligations contained in the Notes and the Indenture.
- (e) If any Holder or the Trustee is required by any court or otherwise to return to the Company, the Guarantors, or any Custodian, trustee, liquidator or other similar official acting in relation to either the Company or the Guarantors, any amount paid by either to the Trustee or such Holder, this Subsidiary Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect.
- (f) The Guaranteeing Subsidiaries shall not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby until payment in full of all obligations guaranteed hereby.
- (g) As between the Guarantors, on the one hand, and the Holders and the Trustee, on the other hand, (x) the maturity of the obligations guaranteed hereby may be accelerated as provided in Article 6 of the Indenture for the purposes of this Subsidiary Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (y) in the event of any declaration of acceleration of such obligations as provided in Article 6 of the Indenture, such obligations (whether or not due and payable) shall forthwith become due and payable by the Guarantors for the purpose of this Subsidiary Guarantee.
- (h) The Guarantors shall have the right to seek contribution from any non-paying Guarantor so long as the exercise of such right does not impair the rights of the Holders under the Guarantee.

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- (i) Pursuant to Section 11.03 of the Indenture, after giving effect to any maximum amount and any other contingent and fixed liabilities that are relevant under any applicable Bankruptcy or fraudulent conveyance laws, and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under Article 11 of the Indenture shall result in the obligations of such Guarantor under its Subsidiary Guarantee not constituting a fraudulent transfer or conveyance.

3 Execution and Delivery. Each Guaranteeing Subsidiary agrees that the Subsidiary Guarantee shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of such Subsidiary Guarantee.

4. Guaranteeing Subsidiary May Consolidate, Etc. on Certain Terms.

- (a) A Guaranteeing Subsidiary may not sell or otherwise dispose of all or substantially all of its assets, or consolidate with or merge with or into (whether or not such Guaranteeing Subsidiary is the surviving Person) another Person unless:
  - (i) immediately after giving effect to such transaction, no Default or Event of Default exists; and

(ii) either:

- (A) the Person acquiring the property in any such sale or disposition or the Person formed by or surviving any such consolidation or merger assumes all the obligations of such Guaranteeing Subsidiary, pursuant to a supplemental indenture satisfactory to the Trustee; or
- (B) the Net Proceeds of such sale or other disposition are applied in accordance with the applicable provisions of the Indenture.

- (b) In case of any such consolidation, merger, sale or conveyance and upon the assumption by the successor Person, by supplemental indenture, executed and delivered to the Trustee and satisfactory in form to the Trustee, of the Subsidiary Guarantee endorsed upon the Notes and the due and punctual performance of all of the covenants and conditions of the Indenture to be performed by the Guarantor, such successor corporation shall succeed to and be substituted for the Guarantor with the same effect as if it had been named herein as a Guarantor. Such successor corporation thereupon may cause to be signed any or all of the Subsidiary Guarantees to be endorsed upon all of the Notes issuable hereunder which theretofore shall not have been signed by the Company and delivered to the Trustee. All the Subsidiary Guarantees so issued shall in all respects have the same legal rank and benefit under the Indenture as the Subsidiary Guarantees theretofore and thereafter issued in accordance with the terms of the Indenture as though all of such Subsidiary Guarantees had been issued at the date of the execution hereof.
- (c) Except as set forth in Articles 4 and 5 of the Indenture, and notwithstanding clauses (a) and (b) above, nothing contained in the Indenture or in any of the Notes shall prevent any consolidation or merger of a Guarantor with or into the Company or another Guarantor, or shall prevent any sale or conveyance of the property of a Guarantor as an entirety or substantially as an entirety to the Company or another Guarantor.

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#### 5. Releases.

- (a) The Subsidiary Guarantee of a Guarantor will be released (i) in connection with any sale or other disposition of all or substantially all of the assets of that Guarantor (including by way of merger or consolidation), if the disposition is to the Company or another Guarantor or if the Company applies the Net Proceeds of that sale or other disposition in accordance with the applicable provisions of the Indenture, including without limitation Section 4.10 thereof; (ii) in connection with any sale of all of the capital stock of a Guarantor, if the Company applies the Net Proceeds of that sale in accordance with the applicable provisions of the Indenture, including without limitation Section 4.10 thereof; (iii) if the Company designates any Restricted Subsidiary that is a Guarantor as an Unrestricted Subsidiary; or (iv) upon the release or discharge of all guarantees of such Guarantor, and all pledges of property or assets of such Guarantor securing, all other Indebtedness of the Company and the other Guarantors. Upon delivery by the Company to the Trustee of an Officers' Certificate and an Opinion of Counsel to the effect that such sale or other disposition was made by the Company in accordance with the provisions of the Indenture, including without limitation Section 4.10 of the Indenture, the Trustee shall execute any documents reasonably required in order to evidence the release of any Guarantor from its obligations under its Subsidiary Guarantee.
- (b) Any Guarantor not released from its obligations under its Subsidiary Guarantee shall remain liable for the full amount of principal of and interest on the Notes and for the other obligations of any Guarantor under the Indenture as provided in Article 11 of the Indenture.

6. No Recourse Against Others. No past, present or future director, officer, employee, incorporator, stockholder or agent of any Guaranteeing Subsidiary, as such, shall have any liability for any obligations of the Company or any Guaranteeing Subsidiary under the Notes, any Subsidiary Guarantee, the



Indenture or this Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of the Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the federal securities laws and it is the view of the Commission that such a waiver is against public policy.

7. NEW YORK LAW TO GOVERN. THE INTERNAL LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS SUPPLEMENTAL INDENTURE BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

8. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

9. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

10 The Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the

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recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiaries and the Company.

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IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date first above written.

Dated: June 7, 2000

DOMINO'S, INC.

By: /s/ Harry J. Silverman  
-----  
Name: Harry J. Silverman  
Title: CFO

DOMINO'S PIZZA L.L.C.

By: /s/ Harry J. Silverman  
-----  
Name: Harry J. Silverman  
Title: CFO

DOMINO'S PIZZA PMC, INC.

By: /s/ Harry J. Silverman  
-----  
Name: Harry J. Silverman  
Title: CFO

DP CA CORP., INC.

By: /s/ Harry J. Silverman  
-----  
Name: Harry J. Silverman  
Title: CFO

DP CA COMM, INC.

By: /s/ Harry J. Silverman

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

DOMINO'S PIZZA CALIFORNIA L.L.C.

By: /s/ Harry J. Silverman

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

THE BANK OF NEW YORK,  
as Trustee

By: /s/

-----  
Name:  
Title:

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