

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

| OMB APPROVAL | |
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|---|---|--|
| 1. Name and Address of Reporting Person* <u>Sloane Alexander R</u> (Last) (First) (Middle) 853 BROADWAY, SUITE 2014 (Street) NEW YORK NY 10003 (City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol <u>CAROLS RESTAURANT GROUP, INC.</u> [TAST] | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below) |
| | 3. Date of Earliest Transaction (Month/Day/Year) 08/13/2019 | |
| | | 6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person |

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | | 4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5) | | | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--------------------------------------|--|--------------------------------|---|---|------------|--------|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Common Stock, par value \$0.01 per share | 08/13/2019 | | P | | 200 | A | \$7.5 | 11,909 | D | |
| Common Stock, par value \$0.01 per share | 08/13/2019 | | P | | 4,999 | A | \$7.51 | 16,908 | D | |
| Common Stock, par value \$0.01 per share | 08/13/2019 | | P | | 140 | A | \$7.52 | 17,048 | D | |
| Common Stock, par value \$0.01 per share | 08/13/2019 | | P | | 420 | A | \$7.53 | 17,468 | D | |
| Common Stock, par value \$0.01 per share | 08/13/2019 | | P | | 301 | A | \$7.54 | 17,769 | D | |
| Common Stock, par value \$0.01 per share | 08/13/2019 | | P | | 7,255 | A | \$7.56 | 25,024 | D | |
| Common Stock, par value \$0.01 per share | | | | | | | | 7,364,413 | I | See footnotes ⁽¹⁾⁽²⁾⁽³⁾ |
| Series C Convertible Pref. Stock, par value \$0.01 per share | | | | | | | | 10,000 | I | See footnotes ⁽²⁾⁽³⁾⁽⁴⁾ |

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--|--------------------------------------|--|--------------------------------|--|--|-----------------|---|--|--|---|--|
| | | | | | | Date Exercisable | Expiration Date | | | | | |
| | | | | Code | V | (A) | (D) | Title | Amount or Number of Shares | | | |

Explanation of Responses:

- These shares of Common Stock, par value \$0.01 per share (the "Common Stock"), of Carols Restaurant Group, Inc (the "Issuer" are owned of record by Cambridge Franchise Holdings, LLC ("CFH") and were acquired by CFH pursuant to the Agreement and Plan of Merger, dated as of February 19, 2019 (the "Merger Agreement"), by and among the Issuer, Carols Holdco Inc., GRC MergerSub Inc., GRC MergerSub LLC, Cambridge Franchise Partners, LLC ("CFP"), CFH and New CFH, LLC.
- Matthew Perelman and Alexander Sloane are the managing principals of CFP, which is the sole member and manager of CFH. Accordingly, each of Matthew Perelman, Alexander Sloane and CFP may be deemed to beneficially own the securities of the Issuer held by CFH. The filing of this statement on Form 4 shall not be deemed an admission that any of the reporting persons beneficially owns any securities of the Issuer not owned directly by such reporting person, and each reporting person disclaims any beneficial ownership of any securities of the Issuer, for purposes of Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise, except to the extent of such reporting person's pecuniary interest therein. The reporting persons may be deemed to constitute a "group" within the meaning of Section 13(d)(3) of the Exchange Act. The filing of this statement on Form 4 shall not be deemed an admission that any reporting person is a member of such a group.
- Each of Matthew Perelman and Alexander Sloane was appointed to the board of directors of the Issuer as a representative of CFH and, pursuant to the Registration Rights and Stockholders' Agreement entered into by the Issuer and CFH on April 30, 2019, CFH has certain rights to nominate directors for election to the board of directors of the Issuer. Accordingly, each of CFH and CFP may be deemed a "director by deputization" solely for purposes of Section 16 of the Exchange Act.
- These shares of Series C Convertible Preferred Stock, par value \$0.01 per share (the "Series C Preferred Stock"), of the Issuer are held of record by CFH and were acquired by CFH pursuant to the Merger Agreement. The Series C Preferred Stock is not convertible into Common Stock unless and until the stockholders of the Issuer approve the issuance of shares of Common Stock upon such conversion in accordance with the applicable rules of the Nasdaq Stock Market LLC. Upon the receipt of such stockholder approval, each share of Series C Preferred Stock will automatically convert into a number of shares of Common Stock determined in accordance with the certificate of designations pursuant to which the Series C Preferred stock was issued. The Series C Preferred Stock is initially convertible into an aggregate of 7,450,402 shares of Common Stock.

Remarks:

/s/ Alexander R. Sloane

08/15/2019

** Signature of Reporting Person

Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.