

# PMQ Pizza Magazine

## An Upstart Fast-Casual Pizza Chain Declares Bankruptcy

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### Featured



Oath Pizza was founded in Nantucket in 2015. The brand had a proprietary way of making its crust, which involved dipping the dough in avocado oil. (Oath Pizza)

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[By Ben Coley](#)

[Oath Pizza](#), once a rising fast casual, declared Chapter 7 bankruptcy in late October.

The filing will liquidate parent entity Next Level Pizza's assets. The company listed between \$100,000 and \$500,000 in assets and between \$10 million and \$50 million in liabilities.

### Attachment 3

Oath Pizza's website separates streetside restaurants and university-based units. Only four streetside locations appear to still be open, with three available for online ordering. It's unclear how many restaurants on university campuses remain open.

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The move comes a few months after the brand settled a lawsuit with former CEO Drew Kellogg over allegations of fraud and breach of fiduciary duty. The case traces back to November 2022, when Kellogg informed the board of directors that the company was insolvent due to ongoing financial struggles, unprofitable store operations, and mounting liabilities that exceeded assets. These issues led the board to approve a plan to dissolve the company, sell assets, repay creditors, and wind down operations.

Despite this dissolution plan, Kellogg allegedly manipulated the asset sale process for personal gain. Instead of facilitating a fair, competitive bidding process—where at least one interested party was willing to pay over \$1 million—Kellogg allegedly shut down the auction and arranged a deal to sell Next Level Pizza's assets to New Oath, his own controlled entity, for a \$10,000 check from an account with insufficient funds and a nonrecourse, unsecured note. This self-dealing transaction left Next Level Pizza burdened with all liabilities while New Oath and Kellogg took over assets, including subsidiaries and leased retail locations, exacerbating financial woes and rendering it incapable of paying its creditors.

After taking control of the business, Kellogg allegedly dismissed all employees responsible for handling sales, marketing, finance, and reporting, prioritizing substantial personal compensation and benefits for himself. Since many of the stores were operating at a loss and Kellogg sought to continue paying himself, he neglected to pay numerous vendors and creditors, asserting that these financial obligations belonged to the Next Level Pizza, according to the lawsuit. He further perpetuated this scheme by keeping various accounts, including payroll, under Next Level Pizza's name, even though he claimed New Oath had acquired them. The lawsuit states this allowed revenues to flow to New Oath and Kellogg while leaving expenses with Next Level Pizza.



Drew Kellogg (right) is the former CEO of Oath Pizza. (Oath Pizza)

As vendors and employees remained unpaid, all company-owned stores closed by December 2023. Consequently, several landlords and vendors filed claims against Next Level Pizza and its subsidiaries for defaults on leases and unpaid accounts.

Between January 2023 and August, under New Oath and Kellogg's control, no employees were retained, and no financial records were maintained, leaving Next Level Pizza without documentation of revenues, expenses, or assets. Additionally, Oath Franchising LLC, a subsidiary that had franchise agreements with six franchisees, faced issues as most franchisees stopped paying royalties, citing ownership uncertainty or breaches. Around \$100,000 in franchise deposits had been held in a bank account, but New Oath and Kellogg withdrew those funds for their benefit shortly after taking over, the lawsuit states. The profitability of the franchise stores remains unclear, as do the royalties owed under the franchise agreements.

The settlement, reached in August, forced New Oath and Kellogg to return crucial intellectual property and franchise agreements to Next Level Pizza and pay \$400,000, primarily to cover legal costs. Additionally, Kellogg and New Oath agreed to a three-year non-compete restriction.

### Attachment 3

Oath Pizza was founded on Nantucket Island in 2015. The brand describes itself as “pizza reimagined,” with a proprietary crust that is hand-stretched, grilled, and seared in avocado oil, and topped with real, fresh ingredients and vegan and gluten-free options. Over the years, the company expanded to several states like New York, California, Pennsylvania, Ohio, and Virginia. That included many college campuses, such as Arizona State and William Paterson University.

In October 2020, the chain struck a deal with Goldbelly to deliver pizza nationwide. Around the same time, brand opened a ghost kitchen in Philadelphia. In 2022, Oath Pizza announced a store refresh with inviting colors, breezy interiors, and a feel-good environment everyone will love,” according to a press release.