

EVERYTHING YOGURT BRANDS, LLC
BANANAS SMOOTHIES & FROZEN YOGURT
INFORMATION FOR PROSPECTIVE FRANCHISEES
REQUIRED BY FEDERAL TRADE COMMISSION



* * * * *

TO PROTECT YOU WE'VE REQUIRED YOUR FRANCHISOR TO GIVE YOU THIS INFORMATION. WE HAVEN'T CHECKED IT AND DON'T KNOW IF IT'S CORRECT. IT SHOULD HELP YOU MAKE UP YOUR MIND. STUDY IT CAREFULLY. WHILE IT INCLUDES SOME INFORMATION ABOUT YOUR CONTRACT, DON'T RELY ON IT ALONE TO UNDERSTAND YOUR CONTRACT. READ ALL OF YOUR CONTRACT CAREFULLY. BUYING A FRANCHISE IS A COMPLICATED INVESTMENT. TAKE YOUR TIME TO DECIDE. IF POSSIBLE SHOW YOUR CONTRACT AND THIS INFORMATION TO AN ADVISOR LIKE A LAWYER OR AN ACCOUNTANT. IF YOU FIND ANYTHING YOU THINK MAY BE WRONG OR ANYTHING IMPORTANT THAT'S BEEN LEFT OUT, YOU SHOULD LET US KNOW ABOUT IT. IT MAY BE AGAINST THE LAW.

THERE MAY ALSO BE LAWS PERTAINING TO FRANCHISING IN YOUR STATE. ASK YOUR STATE AGENCIES ABOUT SUCH LAWS.

EFFECTIVE DATE OF OFFERING CIRCULAR: _____

FEDERAL TRADE COMMISSION
WASHINGTON D.C. 20580

FRANCHISE OFFERING CIRCULAR



25 Washington Street
Morristown, New Jersey 07960
(973) 285-4800

The franchised business offered for sale under this Offering Circular is a quick service restaurant from which you may sell any combination of our proprietary Everything Yogurt brand frozen yogurt, our Bananas Smoothies & Frozen Yogurt brand smoothies and frosties prepared with our proprietary products, and our Gretel's Pretzels brand hand rolled pretzels made with our proprietary pretzel flour [the "Franchised Business"]. Bananas Smoothies & Frozen Yogurt may also feature related food and beverage items, such as premium flavored coffees, espresso, cappuccino, muffins, ice cream, nuts bulk or packaged candies, bagels, cookies, cakes and flavored popcorn as well as specialty items such as specially made apparel and gifts. The initial franchise fee is \$22,000. The estimated initial investment, excluding the cost of the necessary real estate, ranges from \$94,200 to \$320,000, depending on how many of our products you wish to sell from the Franchised Business.

Special Risk Factors:

1. THE FRANCHISE AGREEMENT STATES THAT NEW JERSEY LAW GOVERNS THE AGREEMENT, EXCEPT FOR APPLICABLE FRANCHISE LAWS OF OTHER STATES. NEW JERSEY LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
2. THE FRANCHISE AGREEMENT PERMITS THE FRANCHISEE TO SUE THE FRANCHISOR ONLY IN THE STATE OR FEDERAL COURTS OF NEW JERSEY (MORRIS COUNTY OR NEWARK VICINAGE). OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO SUE IN NEW JERSEY THAN IN YOUR HOME STATE.
3. THE FRANCHISOR AND OUR AFFILIATES MAY ESTABLISH OTHER FRANCHISED OR COMPANY OWNED LOCATIONS AND CHANNELS OF DISTRIBUTION, AND MAY SELL AND DISTRIBUTE ANY PRODUCT OR SERVICE UNDER THE SAME AND/OR DIFFERENT TRADEMARK IN COMPETITION WITH THE FRANCHISE.
4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

NOTE: THE AGREEMENT PROVISIONS REFERRED TO IN THE RISK FACTORS MAY BE VOID UNDER SOME STATE FRANCHISE LAWS AND SOME STATE FRANCHISE LAWS MAY REQUIRE DISCLOSURE OF ADDITIONAL RISK FACTORS.

Information about comparisons of franchisors is available. Call the Administrators in Exhibit C to offering circular or your public library for sources of information.

The states listed in Exhibit C to the offering circular may require registration or filing of this franchise offering. If this offering is registered in any of these states, the effective date of the registration is disclosed in Exhibit B to the offering circular. Some of these states may require different or additional disclosures (see Exhibit B to offering circular) or revisions to the agreements (see Exhibit I to the franchise agreement).

Registration of this franchise with a state does not mean that the state recommends it or has verified the information in the offering circular. If you learn that anything in the offering circular is untrue, contact the Federal Trade Commission or your state authority listed in Exhibit C to the offering circular.

EVERYTHING YOGURT BRANDS, LLC
FRANCHISE OFFERING CIRCULAR

TABLE OF CONTENTS

Item	Page
1. THE FRANCHISOR, ITS PREDECESSOR AND AFFILIATES.....	1
The Franchisor.....	1
Our Predecessor and Affiliates.....	2
The Licenses Offered	3
Bananas Smoothies & Frozen Yogurt	3
Competition	4
Industry-Specific Regulations	4
2. BUSINESS EXPERIENCE	5
3. LITIGATION	7
4. BANKRUPTCY	12
5. INITIAL FRANCHISE FEE	12
Bananas Smoothies & Frozen Yogurt	12
Simultaneous Franchise Fee Incentive Program	12
Franchise Fee Incentive Program for Multi Unit Operators.....	13
6. OTHER FEES.....	13
7. INITIAL INVESTMENT	15
8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	19
9. FRANCHISEE’S OBLIGATIONS	22
10. FINANCING	23
11. FRANCHISOR’S OBLIGATIONS.....	24
12. TERRITORY	29
13. TRADEMARKS.....	30
14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION.....	31
Confidential Operating Manual.....	32
Confidential Information.....	32
15. OBLIGATIONS TO PARTICIPATE IN THE ACTUAL OPERATION OF THE RESTAURANT	32
16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	33

17.	RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION.....	34
18.	PUBLIC FIGURES	35
19.	EARNINGS CLAIMS	35
20.	LIST OF OUTLETS	36
21.	FINANCIAL STATEMENTS.....	38
22.	CONTRACTS	38
Exhibit A	Franchise Agreement with Exhibits	
	Exhibit A Licensed Marks	
	Exhibit B Conditional Assignment of Lease	
	Exhibit C Confidentiality and Non-Competition Agreement	
	Exhibit D Owner’s Personal Guaranty of Franchisee’s Obligations	
	Exhibit E Sublease Agreement	
	Exhibit F Assignment and Assumption Agreement and Franchisor Consent	
	Exhibit G Deposit Agreement	
	Exhibit H SBA Amendment to Franchise Agreement	
	Exhibit I State Required Amendment to Franchise Agreement	
Exhibit B	State Addendum to UFOC	
Exhibit C	List of Administrators	
Exhibit D	Agents for Service of Process	
Exhibit E	List of Franchise Brokers	
Exhibit F	Confidential Operating Manual Table of Contents	
Exhibit G	List of Franchisees	
Exhibit H	Audited Financial Statements	
Exhibit I	Receipt (in duplicate)	

ITEM I
THE FRANCHISOR, ITS PREDECESSOR AND AFFILIATES

The Franchisor

Everything Yogurt, Inc. was initially incorporated in the State of New York in 1975 and opened the first Everything Yogurt facility in April 1976 in New York. (These restaurants have since closed). In 1978 Everything Yogurt New Jersey, Inc. was formed and in 1983 Everything Yogurt, Inc., was merged into it. The corporation changed its name on April 16, 1988 to Everything Yogurt, Inc. and on March 16, 1995 the name was changed to Restaurant Systems International, Inc., and on February 10, 2003 to Everything Yogurt Brands, Inc. On August 14, 2003 the company stock was acquired by Villa Pizza, Inc. and the franchise agreements were thereafter assigned to Everything Yogurt Brands, LLC, a Delaware limited liability company ("we" or "us"), formed August 14, 2003 and started operating August 14, 2003 offering franchises for South Philly Steaks & Fries, Greenleaf's Grille, Greenleaf's and Bananas Smoothies & Frozen Yogurt. We also maintain support for the franchises assigned us. When describing things belonging to us or giving you information relative to the franchises offered for sale by this Uniform Franchise Offering Circular, we use the word "our"). We maintain our principal place of business at 25 Washington Street, Morristown, New Jersey 07960. We conduct our business under the trade names GREENLEAF'S GRILLE, GREENLEAF'S, BANANAS SMOOTHIES & FROZEN YOGURT, TREAT STREET, EVERYTHING YOGURT & SALAD CAFÉ, and SOUTH PHILLY STEAKS & FRIES. However, we offer only one franchise, Bananas Smoothies & Frozen Yogurt, under this Uniform Franchise Offering Circular. Our other concepts are offered for sale in our other Uniform Franchise Offering Circulars.

We operate and grant franchises for the operation of various fast-service restaurants. We had granted franchises bearing the name Everything Yogurt since August 1983, and have operated restaurants of that type since April 1981. However, this concept is no longer available for purchase as an independent concept but is only available as a part of a Bananas Smoothies & Frozen Yogurt franchised restaurant (discussed below).

We also operate and formerly offered franchises for restaurants bearing the name Bananas Frosty Fruit Shakes and Bananas Ultimate Juice Bar since August, 1993 and April, 1995 respectively. The two systems were merged into one concept on February 15, 1998 and the concept was renamed Treat Street. It has since been renamed Bananas Smoothies & Frozen Yogurt (discussed below).

Since December 22, 1993, we have operated and granted franchises for the operation of restaurants bearing the name Gretel's Pretzels (originally this concept bore the name The Gourmet Pretzel Company until the name was changed in December 1994 to Gretel's Pretzels). However, this concept is no longer available for purchase as an independent concept but is only available as a part of a Bananas Smoothies & Frozen Yogurt franchised restaurant (discussed below).

We also operate and grant franchises for the operation of restaurants bearing the name Bananas Smoothies & Frozen Yogurt. A Bananas Smoothies & Frozen Yogurt restaurant offers any combination of at least one of our branded products (*i.e.*, Everything Yogurt brand proprietary yogurt, Bananas Smoothies & Frozen Yogurt smoothies and frosties made with our proprietary products, and/or our hand-rolled Pretzels, made with our proprietary pretzel flour.) This franchise has been offered since 1998.

We formerly operated and granted franchises for the concept Everything Yogurt & Salad Café. We began offering franchises under this name September 24, 1991 and have operated restaurants using this concept since 1991, but ceased offering the Everything Yogurt & Salad Café concept as of 2000.

We formerly granted franchises for the operation of restaurants bearing the trade name Salad Café. We began offering such franchises under this tradename on April 30, 1995, but ceased offering Salad Café's as of the year 2000.

We also sell franchises for the operation of restaurants bearing the tradename South Philly Steaks & Fries. We have offered franchises under this tradename since September 1986.

We also operate and have since 2004 granted franchises for the operation of restaurants under the tradename Green Leaf's Beyond Great Salads. Between 1998 and 2003, we had offered franchises under the tradename Greenleaf's Grille. Between 1998 and 2000, we had offered franchises for the operation of restaurants under the tradename Greenleaf's.

We offer only Bananas Smoothies & Frozen Yogurt franchises under this Uniform Franchise Offering Circular.

We also offer and grant licenses for the operation of self-service kiosks, mobile carts and self-service units under the mark Bananas Smoothies & Frozen Yogurt which may offer a limited menu of any combination of our Everything Yogurt, Bananas Smoothies & Frozen Yogurt and/or Gretel's Pretzels or Greenleaf's items. Such kiosks, carts and/or units are typically operated by large food service providers, hospitals, universities, transportation centers, chain accounts, airports and other institutional facilities. There may or may not be license fees, service fees, royalty fees or advertising fees paid to us in connection with these licenses.

Our agents for service of process are listed in Exhibit D.

Our Predecessor and Affiliates

As noted above, our predecessor, Everything Yogurt, Inc., a New York corporation, was incorporated in September 1975. In 1978 Everything Yogurt New Jersey, Inc. was formed and in 1983 Everything Yogurt, Inc. was merged into it. The corporation changed its name to Restaurant Systems International, Inc. At the time the company stock was acquired, the company was headquartered at 1110 South Avenue, Staten Island, NY 10814-3403. The company ultimately changed its name to Everything Yogurt Brands, Inc. and on August 14, 2003 was acquired by Villa Pizza, Inc. and the franchise agreements thereafter were assigned to Everything Yogurt Brands, LLC, a Delaware limited liability company.

Our predecessors formerly offered franchises for restaurants bearing the names Everything Yogurt, Bananas Smoothies & Frozen Yogurt Frosty Fruit Shakes and Bananas Smoothies & Frozen Yogurt Ultimate Juice Bar. In addition, they offered franchises for the operation of restaurants under the names The Gourmet Pretzel Company which name was subsequently changed to Gretzel's Pretzels and Salad Café. None of these concepts represent separate franchises being sold today. From 1998 through the date of our purchase of the concepts, our predecessors also operated and granted

franchises for the operation of restaurants offering one or more of the following: Gretzel's Pretzels and from 1991 through 2000, offered the Everything Yogurt & Salad Café franchise.

Affiliates of Villa Pizza, Inc., including Villa Enterprises Management, Ltd. ("Villa Management") have owned and operated restaurants under the names "Villa Pizza," "Villa Pizza Express," "The Villa Co.," "Café Villa," "Villa Pizza Cucina," "Villa Pizza Cucina Italiana", "Villázso" and Casa Java between 1964 and the present. In June 1999 Villa Pizza, Inc. acquired the rights and obligations from Cozzoli's Pizza Systems, Inc. as franchisor under certain existing Cozzoli's Pizza franchise agreements. These restaurants offer a limited menu of pizza, pasta, Italian specialties and desserts. We do not offer Villa Pizza or Cozzoli's franchises under this offering circular.

Except as described above, none of our affiliates have offered franchises in any other lines of business. Villa Management's principal business address is the same as ours. Villa Management has not offered franchises in any line of business. We, or an affiliate, may establish leasehold corporations that may enter into primary leases for restaurants and sublease the premises to you. None of these affiliates offers or has offered franchises in any line of business or has operated businesses of the type operated by Franchisees. We have no other affiliates that provide products or services to our Franchisees.

The Licenses Offered

If approved by us, you (franchisees, whether individuals, partnerships, corporations, limited liability companies and the partners of partnerships, principals of corporations and members of limited liability companies will be referred to as "you") will have the right to sign a franchise agreement (the "Franchise Agreement") for the establishment and operation of one restaurant business using the Proprietary Marks and System of that business at a specified location (the "Franchised Business").

Bananas Smoothies & Frozen Yogurt

If you sign a Franchise Agreement for an Bananas Smoothies & Frozen Yogurt restaurant you will be engaged in the business of preparing and selling products from a menu featuring offerings of at least one of our core products: Everything Yogurt brand frozen yogurt, Bananas Smoothies & Frozen Yogurt brand smoothies and frosties and/or Gretel's Pretzels brand hand rolled pretzels made with our proprietary ingredients.

If you sign a Franchise Agreement for an Bananas Smoothies & Frozen Yogurt restaurant which sells Everything Yogurt brand frozen yogurt, you will be engaged in the business of preparing and selling proprietary frozen yogurt with or without toppings, frozen yogurt sundaes and shakes and fresh fruit juices. You will feature frozen yogurt and frozen yogurt sundaes in several sizes and you will prepare them with any or all of the fresh fruit and other candy or nut toppings offered and other food and beverage items approved by us from time to time.

If you sign a Franchise Agreement for an Bananas Smoothies & Frozen Yogurt restaurant which sells Bananas Smoothies & Frozen Yogurt brand frozen whipped fruit drinks made with and without Everything Yogurt proprietary frozen yogurt, you will be engaged in the preparation and sale of fruit and vegetable juices, fruit shakes, fresh fruit and other related food and beverage items

pursuant to our standards, specifications, methods and procedures. Drinks may contain various healthful additives, such as calcium, spirulina and protein powder.

If you sign a Franchise Agreement for an Bananas Smoothies & Frozen Yogurt restaurant which sells Gretel's Pretzels brand hand rolled pretzels, you will be engaged in the business of preparing and selling hand rolled soft pretzels made with a proprietary spice formula flour in a twist, in a dipper or as pretzels topped with a variety of toppings, and related food and beverage items pursuant to our standards, specifications, methods and procedures.

You may also sell other related food and beverage items from an Bananas Smoothies & Frozen Yogurt restaurant, such as premium flavored coffees, espresso, cappuccino, muffins, ice cream, nuts, bulk or packaged candy, bagels, cookies, cakes and flavored popcorn as well as specialty items, such as specially made apparel and gifts.

It is anticipated that Bananas Smoothies & Frozen Yogurt restaurants will be typically located in retail malls, airports, food halls, food courts, strip shopping centers, or other in-line locations. A typical Bananas Smoothies & Frozen Yogurt restaurant requires a site of 310 to 1,200 square feet, with a minimum of 14 feet of frontage, depending on how many concepts are purchased. The design and appearance of the restaurants will vary according to location, but must employ our standard décor and signs. It is anticipated that the restaurants will attract people of all ages.

Competition

You can expect to compete with numerous restaurants offering a wide range of food and beverage items in a wide variety of service formats. A large number of restaurant chains and franchised fast-food service systems operated by entities much larger than us compete, directly or indirectly, with Bananas Smoothies & Frozen Yogurt restaurants, as do many local and independent operations offering moderately priced food and beverage items. An Bananas Smoothies & Frozen Yogurt restaurant also must compete with other restaurants featuring frozen yogurt, fresh fruit shakes and/or hand rolled pretzels and other items, including but not limited to, premium flavored coffees, espresso, cappuccino, muffins, ice cream, nuts, bulk or packaged candy, bagels, cookies, cakes and flavored popcorn, as well as specialty items, such as specially made apparel and gifts.

Industry-Specific Regulations

You should consider that certain aspects of any restaurant business are regulated by federal, state and local laws, rules and ordinances in addition to the laws, regulations and ordinances applicable to businesses generally, such as the Americans with Disabilities Act, Federal Wage and Hour Laws, and the Occupation, Health and Safety Act. The U.S. Food and Drug Administration, the U.S. Department of Agriculture, as well as state and local departments of health and other agencies have laws and regulations concerning the preparation of food and sanitary conditions of restaurant facilities. State and local agencies routinely conduct inspections for compliance with these requirements. Under the Clean Air Act and state implementing laws, certain state and local areas are required to attain, by the applicable statutory guidelines, the national quality standards for ozone, carbon monoxide and particulate matters. Certain provisions of such laws impose limits on emissions resulting from commercial food preparation.

ITEM 2

BUSINESS EXPERIENCE

The following is the list of directors, principal officers, and other executives who have management responsibility in the operation of our business relating to the licenses described in this offering circular. The principal occupation and business experience of each person during the past five years, including the names and locations of prior employers is described below. Unless otherwise indicated, the location of the employer is Morristown, New Jersey.

President and Director: Biagio Scotto

Mr. Scotto is the President and a Director of Wishwell International, Inc., the Manager of Everything Yogurt Brands, LLC and has served in that capacity since January 1999. Mr. Scotto has also served as President and a Director of Villa Enterprises Management, Ltd. since June 1983. Mr. Scotto also serves in similar positions and performs similar functions for other entities owned by or affiliated with Villa Enterprises Management, Ltd.

Executive Vice President and Director: Anthony Scotto

Mr. Scotto is the Executive Vice President and a Director of Wishwell International, Inc., the Manager of Everything Yogurt Brands, LLC and has served in that capacity since January 1999. Mr. Scotto has served as Vice President and a Director of Villa Enterprises Management, Ltd. since July 1991. Mr. Scotto also serves in similar positions and performs similar functions for other entities owned by or affiliated with Villa Enterprises Management, Ltd.

Secretary and Director: Biagio Pugliese

Mr. Pugliese is the Secretary and a Director of Wishwell International, Inc., the Manager of Everything Yogurt Brands, LLC since January 1999. Mr. Pugliese has served as Secretary and a Director of Villa Enterprises Management, Ltd. since March 1980. Mr. Pugliese also serves in similar positions and performs similar functions for other entities owned by or affiliated with Villa Enterprises Management, Ltd.

Senior Vice President of Operations: Kenneth Kuehn

Mr. Kuehn became Senior Vice President of Operations of Everything Yogurt Brands, LLC. on August 14, 2003. He also serves as Senior Vice President of Operations of Villa Enterprises Management, Ltd. and has held that position since October 2000. Prior thereto, since April 1999, he was a Regional Director with Villa Enterprises Management, Ltd. Mr. Kuehn also serves in similar positions and performs similar functions for other entities owned by or affiliated with Villa Enterprises Management, Ltd. Prior to working for Villa Enterprises Management, Ltd., Mr. Kuehn was a Vice President of Sbarro, Inc headquartered in New York.

Vice President of Business Development: Adam Torine

Mr. Torine became the Vice President of Business Development June 2004 and prior to that date (August 14, 2003) served as Director of Business Development of Everything Yogurt Brands, LLC. Mr. Torine has served as Director of Business Development and Marketing of Villa Enterprises Management, Ltd. since June 1997. From November 1996 through May 1997 he was Director of

Marketing and Recruiting of Villa Enterprises Management, Ltd. and from June 1994 to November 1999 he served as Director of Marketing. Mr. Torine also serves in similar positions and performs similar functions for other entities owned by or affiliated with Villa Enterprises Management, Ltd.

Director of Franchise Development: Dave Ron

Mr. Ron became the Director of Franchise Development of Villa Enterprises Management on October 17, 2005. From January 2001 until September 2005, he was the Franchise Manager of Dunkin' Brands covering the New York, New Jersey, and Maryland regions. Prior to that, 1998 – 2001, he was the Director of Franchise Development for Restaurant Systems International, Inc. During the years of 1994 – 1998, he served as the Regional Manager/Business Consultant for the same company.

Director of Franchise Operations: Nick Valavanis

Mr. Valavanis became Director of Franchise Operations for Villa Enterprises Management, Ltd. on August 14, 2003 which position includes overseeing, with Michael Miller, the operations of Everything Yogurt Brands, LLC. . He has served as Franchise Operations Manager of Villa Enterprises Management, Ltd. since April 2002. From June 1999 through March 2002 he was District Manager for Villa Enterprises Management, Ltd. Mr. Valavanis also serves in similar positions and performs similar functions for other entities owned by or affiliated with Villa Enterprises Management, Ltd. Prior to working for Villa Enterprises Management, Ltd., from July 1997 to May 1999, he was owner of Spaghetti Jacks, a restaurant located in Pewaukee, Wisconsin. Prior to that, from October 1995 to May 1997, he was an Area Training Director for Sbarro Inc., located in Pewaukee, Wisconsin.

Sales and Leasing Manager: Cheryl Kempf

Cheryl Kempf has served as Sales and Leasing Manager since she joined us in August 2003. She was also Sales and Leasing Manager for Everything Yogurt Brands, Inc. from August 2000 through August 2003. From December 1997 through August 2000 she was the Sales Assistant of Everything Yogurt Brands, Inc. (then known as Restaurant Systems International, Inc.) and from January 1997 through December 1997, she held the position of Design/Marketing Coordinator for the same company.

Director of Franchise Operations: Souhail Sara

Mr. Sara became Director of Franchise Operations for Everything Yogurt Brands, LLC. and Villa Enterprises Management, Ltd. on April 4, 2005. Since July 2004, he has acted as District Manager for Everything Yogurt Brands, LLC. Mr. Sara also serves in similar positions and performs similar functions for other entities owned by or affiliated with Villa Enterprises Management, Ltd. Prior to working for Villa Enterprises Management, Ltd. he was a Regional Director with Sbarro, Inc. headquartered in New York from May 1994 to August 2004.

Franchise Operations Consultant: Mekki Lahouari

Mr. Lahouari was hired by Villa Enterprises Management, Ltd. in November 2004 as Franchise Operations Consultant for Everything Yogurt Brands, LLC. Prior to that, from February 2004 to October 2004 he was employed by Sbarro, Inc. as General Manager and prior to that was employed for RSC Group as Director of Operations from July 1997 to February 2004.

Regional Franchise Director- Middle East: Magdi Mahmoud

Mr. Mahmoud was hired by Villa Enterprises Management, Ltd. in June 2003. From March 1998 to May 2003, Mr. Mahmoud was a General Director of Operations with Golden M Enterprises in Egypt.

Franchise Brokers: The following person has been engaged by the company as Franchise Broker.

Franchise Broker: Merrill I. Lamb

Since January 2002, Mr. Lamb has served as an independent franchise broker located in Miami, Florida. Mr. Lamb served as Vice President, Real Estate and Franchising of Villa Enterprises Management, Ltd. from June 1999 until December 2001. From 1982 until December 2001, he also served as President of Cozzoli's Pizza Systems, Inc. in Miami, Florida.

Franchise Broker: The Business Alliance, Inc.

The Business Alliance, Inc. is a Georgia Corporation incorporated in 1999. Its principal place of business is 100 Hartsfield Centre, Suite 500, Atlanta, Georgia, 30354, and its telephone number is 404-763-2244. The Business Alliance, Inc. is a national franchise referral company. (See Exhibit E for a list of its broker network).

Franchise Broker: Sunbelt New England

Sunbelt New England is a part of Sunbelt Business Advisors, an international network of seasoned professionals who provide expert acquisition and divestiture services for business buyers and sellers. Sunbelt Business Advisors was started in 1981 and has grown today to over 300 domestic and international offices located in 14 countries. Sunbelt of New England covers most of Massachusetts and the states of Rhode Island, Maine, New Hampshire, and Vermont.

ITEM 3 **LITIGATION**

On August 14, 2003, Villa Pizza, Inc. acquired the stock of Everything Yogurt Brands, Inc. (previously known as Everything Yogurt, Inc. and also Restaurant Systems International, Inc. (hereinafter the "Company"). Everything Yogurt Brands, Inc. thereafter assigned the franchise agreements to Everything Yogurt Brands, LLC, a Delaware limited liability company.

1. In October 1991, a lawsuit entitled Marcelo Caraveo v. Everything Yogurt, Inc. and Richard Nicotra was filed against the Company and Richard Nicotra in El Paso, Texas County Court (No. 91-7381). The suit, filed by the Company's former franchisee, alleges breach of contract fraud and deceptive trade practices involving its policy of not refunding initial franchisee fees, and seeks damages in excess of the minimum jurisdictional limit of the court, as well as damages. The Company asserted as a defense that the Franchise Agreement executed contains a provision regarding the non-refundability of franchise fees and that the franchisee misrepresented his financial ability to the Company, in reliance whereon it negotiated a lease for

a mall location in El Paso, Texas. The case was settled by the Company for the sum of \$16,000.00 in the summer of 1997.

2. A former 47.5% shareholder of the predecessor Company had in 1992 and 1994 commenced two actions, Beninati v. Nicotra, Kaplan, adv. Everything Yogurt, Inc., (NY Supreme Ct., Richmond Cnty, Index No. 1518/92) and Beninati v. Nicotra, Remaro, Kaplan, Colombo, Inc. and FDIC, (NY Supreme Ct., Kings Cnty, Index No. 41615/94) which were consolidated for hearing in Richmond County. The actions were based upon the contention of Mr. Beninati that he was wrongfully excluded from participating in the management of the Company, that the remaining shareholders and executives were mismanaging the Company, and that the Federal Deposit Insurance Corporation and Colombo Inc. had entered into a conspiracy with Company insiders to deprive him of his shareholder status. In March, 2002, the cases were settled whereby Mr. Beninati exchanged a release of claims and his transfer of stock for the payment of \$678,000 from the Company and Richard Nicotra (a former 47.5% shareholder) and his wife Lois Nicotra., which sum is to be paid over time in accordance with an agreed upon schedule.

3. In November 1998, American Food Consultants II, Inc ("Franchisee"), entered into three separate Franchise Agreements with the Company to operate a South Philly Steak & Fries, a Treat Street, and a Greenleaf's Grille outlet, all at Willowbrook Mall, Wayne, New Jersey. In January, 2000 the Franchisee commenced an action against the Company in connection with the Greenleaf's Grille store, alleging, among other things, that the Company breached the Greenleaf's Grille Franchise Agreement by "fail(ing) to meet (its) obligations under the Agreement"; fraudulently enticed the Franchisee to enter into the Agreement by making false representations "as to support services and earnings to be realized"; and interfered with the Franchisee's lease with its landlord. Franchisee also alleged that the Company's offering circular did not comply with applicable law. Soon after commencing the action, the Franchisee abandoned operating the Greenleaf's Grille store, while continuing to operate the Treat Street and South Philly Steak & Fries stores. For procedural reasons, the action was twice dismissed without prejudice – once by agreement of the parties and once by the Court. In March 2002, the Company commenced a new action against the Franchisee and its guarantors for wrongful repudiation of the Greenleaf's Grille franchise, the Franchisee reasserted as counterclaims its previously dismissed claims. Everything Yogurt Brands, Inc. v. American Food Consultants II, Inc., et al., (Docket # MRSL-2599-02). In October 2004, the case was settled for a \$110,000 payment from the Franchisee to the Company.

4. In 2005, Everything Yogurt Brands, Inc. brought another action against American Food Consultants II and its guarantors in the New Jersey Superior Court, Morris County entitled Everything Yogurt Brands, Inc. v. American Food Consultants II, Inc., et al. (Docket # MRSL-000612-05), this time for breach of the Treat Street Restaurant and South Philly Steaks & Fries Restaurant Franchise Agreements and failure to pay royalties. In their defensive pleading, the defendants asserted neither a breach of the Franchise Agreement nor any fraud by the Company. The Court ultimately granted summary judgment to EYB for the total sum of \$49,026.53, for royalties, fees and attorneys' fees. As no appeal was taken, the judgment is final.

5. Currently in litigation is a third action by the Company against American Food Consultants II and its guarantors in the New Jersey Superior Court, Morris County entitled

Everything Yogurt Brands, LLC v. American Food Consultants II, Inc., et al. (Docket # MRSL-1209-06) again for breach of the Treat Street Restaurant and South Philly Steaks & Fries Restaurant Franchise Agreements and failure to pay royalties. The defendants asserted a counterclaim alleging that the Company engaged in intentional and unlawful actions. There is a motion for summary judgment brought by the Company pending in this case.

6. In 1998, the Company was named as one of the defendants in a lawsuit filed in a state district court in Colorado by Tree Top Development Corp. and its principals, Ronald and Wendy Systma, entitled Tree Top Development Inc. et al. v. Bain's Deli Franchise Associates, L.P., et al. The lawsuit concerned the sale by Bains Deli Franchise Associates, L.P. (the "Bains Deli Franchisor") of a Bain's Deli franchise to Tree Top as well as the quality of franchise services provided to Tree Top after the sale. At the time of the franchise sale, and for a portion of the time that Tree Top was a Bain's Deli franchisee, the Company provided services to the Bains Deli Franchisor under a management agreement. With respect to the Company, the Tree Top lawsuit claimed that the Company was responsible for alleged UFOC misrepresentations concerning Bain's Deli franchise store revenues. It also claimed that its representatives made oral misrepresentations concerning (1) Bain's Deli franchise store revenues, (2) the Bain's Deli food and supplies distribution system, and (3) Tree Top's anticipated access to that system. The plaintiff also claimed that the Company was responsible for not meeting certain service and support obligations that it claimed were found in the Bains Deli franchise agreement with Tree Top.

As between the plaintiffs and the Company (as well as certain of our then employees), the litigation was settled under which terms we paid the plaintiffs the sum of \$20,000.00. The Company also reimbursed the Bain's Deli Franchisor for a portion of its legal fees in the action. The other defendants, *i.e.*, the Bain's Deli Franchisor (and certain formerly affiliated entities and persons) and Quizno's Corporation also reached settlement with the plaintiffs of the claims asserted between them.

7. On January 26, 2000, the Company commenced a lawsuit against Traveler Food Service, Inc. and John Bernardin in the United States District Court for the Eastern District of New York arising out of the defendants-franchisees' operation of a South Philly Steak & Fries franchise store in Pheasant Lane Mall in Nashua, New Hampshire. The Company sought damages for trademark infringement that arose after it had terminated the defendants-franchisees' Franchise Agreement for failing to pay royalties and other fees. In answering this lawsuit, the franchisee asserted a counterclaim against the Company alleging that it made fraudulent representations to them when it sold them the Franchise. The Company denied those allegations. The litigation settled, under which terms the franchisees paid to the Company the sum of \$35,000.00.

8. Sweet Street Desserts, Inc. v. Restaurant Systems International, Inc (hereinafter "RSI"). United States Patent and Trademark Office, Trademark Trial and Appeal Board.

RSI filed a Trademark Application for "TREATSTREET and Design" (the "Mark") on December 30, 1997. The Mark was approved for registration subject to publication for opposition in March 2000, and was published on May 2, 2000. Sweet Street Desserts, Inc. ("Opposer") filed an opposition to the Mark on August 1, 2000 alleging, among other things, that

the Mark is similar in sound, appearance and meaning to Opposer's pre-existing "SWEET STREET" mark and that upon seeing Opposer's marks, persons would likely believe that Opposer's goods and services originated from RSI. No money damages were sought by Opposer and Opposer has not sought to prevent RSI from operating franchises under the Mark. The litigation was settled, under which the Mark is to be phased out by December 31, 2007.

9. AEF Enterprises, Inc. vs. Restaurant Systems International, Inc., (N.Y. Supreme Court, Richmond County, Index # 13115/02.) The Franchisee initiated an action for breach of franchise agreement, fraud and negligent misrepresentation. The Complaint was served on September 27, 2002. RSI interposed an answer and counterclaims for non-payment of royalties and future lost profits. The parties entered into a settlement agreement whereby they exchanged mutual releases and AEF Enterprises paid the Company \$3,500.

10. On November 14, 2002, the Company commenced a lawsuit against Five Stars of Jersey Gardens, Inc. and its guarantors in New York Supreme County, Richmond County entitled Restaurant System International, Inc. v. Five Stars of Jersey Gardens, Inc. et al. (Index No. 13615/05) for breach of a Greenleaf's Grille and Treat Street Franchise Agreements. The defendant asserted a defense alleging the Company's breach of the Franchise Agreements. The Court ultimately granted summary judgment to the Company for the total sum of \$299,098.56, for royalties, fees and attorneys' fees. As no appeal was taken, the judgment is final.

11. California Splendor, Inc. vs. Restaurant Systems International On or about May 28, 2003 California Splendor Inc. ("CSI") formerly a supplier of strawberries to distributors sold to EYB franchisees, filed a complaint (the "Complaint") in the United States District Court for the Eastern District of New York, entitled California Splendor, Inc. v. Restaurant Systems International, Inc., et al., Case No. CV 03 2663. The Complaint named as defendants, RSI, EYB (collectively "EYB"), the Nicotra Group, LLC, Richard A. Nicotra, Lois T. Nicotra and Dianne M. Aronica. The Complaint alleged that EYB ordered, but failed to pay for, product (frozen strawberries) invoiced to EYB in the amount of \$743,671.10. Of that amount, \$166,302.40 was sought for product that was shipped by CSI. The additional amounts are for product that was not shipped, but which (CSI alleged) EYB agreed to purchase. CSI sought to recover \$743,671.10 plus attorneys fees, under various legal theories, including breach of contract, violation of the Perishable Agricultural Commodities Act of 1930, as amended ("PACA"), enforcement of an alleged statutory trust under PACA and unjust enrichment.

The matter was settled by written agreement dated January 26, 2004 wherein defendants paid \$210,360.80 to plaintiff.

12. In 2002, EYB's predecessor, Restaurant Systems International, Inc., upon registering with the State of Hawaii the Uniform Franchise Offering Circulars (UFOC) for its Treat Street and Greenleaf's/Greenleaf's Grille franchises, entered into Franchise Agreements for stores in Hawaii using both of those franchise concepts. Thereafter, the franchisee, with the knowledge and apparent cooperation of the predecessor, opened a South Philly Steak and Fries store instead of the originally anticipated Treat Street store, without there having first been any registration in Hawaii for the South Philly Steak & Fries franchise. In 2004, after the franchised businesses closed, the State of Hawaii investigated the opening of the South Philly Steak and Fries franchise in the absence of the applicable UFOC registration. In 2006, EYB's predecessor

paid a civil fine of \$1,000 in satisfaction of a Consent Agreement that resolved the matter.

13. Everything Yogurt Brand, LLC v. Sepstar, Inc., et al. (N.J. Superior Court, Morris County, Docket No. 2779-05). Sepstar, Inc. (along with its principals as guarantors) was a South Philly Steaks and Fries franchise of Everything Yogurt Brands, LLC ("EYB") at the Springfield Mall in Virginia. In late 2004, Sepstar gave EYB notice that it was terminating the franchise. It then began to operate another steak sandwich restaurant on the premises. Sepstar's notice of termination essentially claimed that it had a right to terminate the franchise at will; it gave no reason for the termination. In 2005, EYB brought suit for wrongful termination of the franchise, making claim for its loss of royalties and fees through the balance of the franchise term. Although Sepstar has not asserted any counterclaims, it has asserted as defenses that it has right to terminate the franchise (a) at will, (b) because EYB allegedly had subjected it to intolerable conditions of anti-Korean discrimination, and (c) because EYB (and/or its predecessor) allegedly had not provided a sufficient level of training and marketing support. The Court ruled as a matter of law that (contrary to Sepstar's contention) the Franchise Agreement did not permit a franchisee to terminate its obligations at will (during the term). The Company denies Sepstar's other allegations. The litigation is in the discovery stage.

14. Former affiliates of Everything Yogurt Brands, Inc. (assignor of the Company), R&S Ventures, Inc., E. Yogurt Concepts of America, Inc. and EY Ventures, Inc. are or were parties to pending or completed litigation in which they were not represented by counsel. There are numerous judgments against R&S Ventures, Inc. If the Company were to be held responsible for these judgments, it may have a serious negative impact on it. The Company does not possess accurate records with regard to these former affiliates and is unable, through the use of due diligence, to obtain complete records; however, the Company is aware of the following judgments:

- a. Mayfair Properties, Inc. v. R&S Ventures, Inc.
Index No. 10704/93
State of Wisconsin, Milwaukee County

Yogurt Queen, Inc., a subtenant of R&S Ventures, Inc., defaulted on the rent and abandoned the premises located at Mayfair Mall in Wisconsin on or about August 9, 1992. A judgment was entered against R&S, as tenant, for nonpayment of rent including interest in the amount of \$37,930.52;

- b. DeBartolo Capital Partnership v. R&S Ventures
Case No. 95CV1 533
Common Pleas Court, Mahoning County, Ohio

R&S Ventures, Inc. subleased premises at Summit Mall, Ohio to Spray Development Co. as subtenant, on December 7, 1988 and the lease was terminated by the landlord for subtenant's failure to pay rent. The subtenant vacated the premises, without paying its rent arrears. A judgment was entered against R&S Ventures, Inc. as tenant, for nonpayment of rent including interest in the amount of \$18,463.15;

- c. Centermark Properties of West Covina v. R&S Ventures, Inc.
Case No. KC014078

Superior Court of the State of California, East District, Los Angeles County
David Sung, as subtenant of R&S Ventures, Inc., executed a sublease agreement for premises located at West Covina Mall in California for a ten-year period. The subtenant defaulted on his rent and abandoned the premises on or about January 14, 1995. A judgment was entered against R&S Ventures, Inc. for nonpayment of rent, future rent and interest in the amount of \$143,609.06;

- d. W.G. Park L.P. vs. R&S Ventures, Inc.,
Case No. 01-13409

Court of Common Pleas, Montgomery County, Pennsylvania,

R&S Ventures leased a premises at the Willow Grove Mall in Willow Grove, Pennsylvania and subleased same to Yash Paul Chawla. Mr. Chawla did not pay rent pursuant to his sublease. The Landlord obtained a judgment against R&S Ventures in the amount of \$19,512.00.

Other than the above fourteen mentioned actions, no litigation is required to be disclosed by this offering circular.

ITEM 4 **BANKRUPTCY**

No entity identified in Item 1 or officer identified in Item 2 of this offering circular has been involved as a debtor in proceedings under the U.S. Bankruptcy Code required to be disclosed herein.

ITEM 5 **INITIAL FRANCHISE FEE**

Bananas Smoothies & Frozen Yogurt

When we complete our pre-opening obligations, you must pay us an Initial Franchise Fee of \$22,000. We may negotiate the amount of an Initial Franchise Fee. Since our formation on August 14, 2003, we have not negotiated any Initial Franchise Fee and we are under no obligation to do so.

The Initial Franchise Fee is non-refundable. The purpose of the Initial Franchise Fee is to reimburse us for costs, including but not limited to, training and design assistance.

Simultaneous Franchise Fee Incentive Program

If you purchase more than one Everything Yogurt Brands, LLC. franchise, we will offer you a discount for each additional restaurant purchased for the same location provided, however, that the purchase is made within 90 days of the signing of the initial franchise agreement. You will be required to pay the highest initial franchise fee for the restaurants selected and you will receive a 90% discount off of the initial franchise fee for each additional franchise purchased for the same location within 90 days. An example of this would be if a Green Leaf's Beyond Great Salads and Bananas Smoothies & Frozen Yogurt are purchased simultaneously i.e. within 90 days. The initial

franchise fee for the Green Leaf's Beyond Great Salads is \$25,000 and the initial franchise fee for Bananas Smoothies & Frozen Yogurt is \$22,000, a total of \$47,000. Because the restaurants are being sold simultaneously, we will offer you a reduced franchise fee for the second restaurant. Therefore, the total initial franchise fee due to us for the purchase of these two restaurants will be \$27,200 instead of the full initial franchise fee of \$47,000. This Simultaneous Franchise Fee Incentive Program does not apply to renewals or transfers. We reserve the right to discontinue this program at any time. (Green Leaf's Beyond Great Salads and our other franchise concepts are listed in separate Uniform Franchise Offering Circulars.)

Franchise Fee Incentive Program for Multi Unit Franchisees

For an existing Franchisee purchasing an additional franchise, you will be eligible for the following Multi Unit discount:

2 nd Franchise Location	20% discount on the then current initial franchise fee
3 rd Franchise Location	25% discount on the then current initial franchise fee
4 th Franchise Location	30% discount on the then current initial franchise fee
5 th or more Franchise Location	50% discount on the then current initial franchise fee

The discount program does not apply to transfers. We also reserve the right to discontinue this program at any time.

ITEM 6 OTHER FEES

Name of Fee ¹	Amount	Date Due	Remarks
Royalty	5% of Gross Sales ²	On Tuesday of each week based on Gross Sales ² for the preceding week	You must submit royalty reports weekly by facsimile, electronic mail or such other system(s) we may designate on a system-wide basis. We will require payment by check draft for Royalties due or we may require you to submit reports manually and send in a check. ³ We may offer a credit on continuing Royalty Fees of up to \$2,500 for new Franchisee sponsorships ^{3a}
Monthly Intranet Service Provider Fee	Currently \$9.95/month ⁴	As incurred	You pay Us the monthly fee billed to Us for Your monthly usage by Our intranet service provider. ⁴
Local advertising expenditure / National Advertising Fund	1 – 3% of Gross Sales ⁵	On Tuesday of each week based on Gross Sales for the preceding week	We have created a National Advertising Fund ("Fund") for which you must contribute a minimum of 1% of Gross Sales each week if the Franchised Business is located in a Regional Shopping Mall, Urban Retail Center, Major Office Building, Airport or Institutional Feeding Facility. We may increase the required minimum, but in no case shall the Fund be increased to more than a total of 3% of Gross Sales. We will or we may, at our sole option, require payment by check drafts or require you to submit reports manually and send in a check.

Name of Fee ¹	Amount	Date Due	Remarks
Site evaluation	Out-of-pocket expenses for visiting and inspecting proposed site	As incurred	Payable only if on-site inspection of proposed site is necessary. We reserve the right to charge a fee for conducting evaluations although a fee is not imposed at this time. ⁶
Design and construction assistance expense	\$250 - \$750	As incurred	For out-of-pocket expenses incurred in connection with replicating and shipping architectural and construction plans.
Audit by Franchisor	Cost of audit; interest due; \$500 adjournment fee	As incurred	Costs of audit payable only if audit reveals understatement of 2% or more; however, interest will be charged if Gross Sales are underestimated by any amount; adjournment fee payable if you fail to prepare required documents for audit meeting
Transfer fee	25% of the then-current Initial Franchise Fee	On or before date of transfer	Upon execution of transfer documents
Renewal fee	50% of the then-current Initial Franchise Fee	On or before date of expiration of Franchise Agreement	Upon execution of renewal documents
Costs and attorneys' fee	Will vary under circumstances	As incurred	Payable on your failure to comply with the Franchise Agreement
Interest on overdue payments	Lesser of 1½ % per month or maximum rate permitted by law	As incurred	Payable on overdue amounts after ten (10) days
Conversion fee prior to the end of the term of the Franchise Agreement	10% of the then-current Initial Franchise Fee of the concept to which you wish to convert	On or before the date upon which the conversion is to become effective	Upon execution of conversion documents
Additional Assistance ⁷	\$100 for each person per day	30 days after billing	We reserve the right to charge for additional assistance and ongoing training

Notes:

¹ All fees are payable to us and are non-refundable.

² Gross Sales means all revenues generated by the Franchised Business, including cash, check, credit charge, account or exchange from the sale of food or merchandise for service performed including catering and delivery, but excluding customer refund meals, use or excise taxes.

³ Before opening you must sign and deliver to us check drafts from your bank needed to permit us to debit your bank account for each week's Royalty payments and other payments that you make to us. If you fail to report Gross Sales, we may debit your bank account in an amount equal to the amount transferred from your account the last reporting period for which a report of Gross Sales of the Franchised Business was provided to us, together with a late fee and/or interest for that amount at the maximum rate allowed by law. We will credit any overpayment against the next week's amount due. Any deficiency is debited from your account.

^{3a} We currently have a new Franchisee Sponsorship Program that allows you to receive a check for Two-Thousand-Five Hundred (\$2,500) Dollars when you sponsor one new Franchisee who we approve in our sole and absolute discretion as a Franchisee and who executes our then current Franchise Agreement and all other required franchise documents within twelve (12) months of the date you refer the prospect to us. To qualify, the prospect must not have previously contacted us about a franchise nor ever been a sponsored prospect before or who owns or shares ownership in an existing restaurant and after executing our Franchise Agreement and other related documents the Franchisee you referred must

open the franchise restaurant for business. This sponsorship program only applies to the Restaurant described in Item 7 (excluding any conversions). We reserve the right to discontinue this program at anytime, however, we will honor any sponsorship made during the existence of the program.

⁴ We have established an Intranet for Our Franchisees and You will be required to maintain user status on the Intranet which is currently with IFX International, Inc. You will pay Us monthly for Your user fee billed from the service provider which currently is approximately \$9.95 per month

⁵ If the Franchised Business is not located in a Regional Shopping Mall, Urban Retail Center, Major Office Building, Airport or Institutional Feeding Facility (as defined in the Franchise Agreement), you must spend a minimum of 3% of Gross Sales quarterly as a Local Advertising Expenditure and submit reports by the tenth of each month following the end of the calendar quarter by facsimile, electronic mail or such other system or systems as we may designate on a system wide basis.

⁶ If Franchisor implements a site evaluation fee in the future, you will be responsible for a franchise representative's travel and living expenses and a daily charge for the representative. Travel expenses include airline and/or rental vehicle, while living expenses would include motel and food cost. Currently the cost of a representative per day ranges between \$100 to \$250.

⁷ The Franchisor will not charge you for operating assistance unless you fail to comply with any provision of the Franchise Agreement, or fail to maintain the standards of quality we set. In those circumstances, we have the right to assign a person to your restaurant to train your employees, and to ensure the standards of quality and service are maintained. You are responsible for that person's travel and living expenses. We also have the right to make reasonable changes for forms and other materials provided to you in connection with this assistance.

ITEM 7 **INITIAL INVESTMENT**

Our current estimates of your initial investment for the franchised businesses offered are set forth below. The various schedules presented illustrate your initial investment if you acquire the franchised businesses separately or in combination. The actual amounts you incur may be higher, however, if particular circumstances apply to the location of your Franchised Business or to your region of the country. We calculate the initial phase of business to be three months following the completion of construction. We relied on our past experience in the franchised restaurant industry with franchisee and company-owned stores when preparing these figures. .

ESTIMATED INITIAL INVESTMENT FOR A BANANAS SMOOTHIES & FROZEN YOGURT RESTAURANT

	Bananas Smoothies & Frozen Yogurt	Method of Payment	When Due	To Whom Payment Is To Be Made	Refundability
Franchise Fee ^{1f}	\$22,000	Lump sum (unless Deposit Agreement)	Execution of Franchise Agreement	Us	Non- refundabl
Equipment ^{2f}	\$19,000 – \$88,000	As billed	As ordered	Suppliers	As negotiated
Signs ^{3f}	\$3,500 – \$12,000	As billed	As ordered	Suppliers	As negotiated
Real Estate ^{4f}	(Note 4)	As required	As required	Sellers or Landlord	As negotiated
Building Construction ^{5f}	\$20,000 – \$140,000	As billed	As incurred	Contractors Sub-Contractors	As negotiated
Insurance ^{6f}	\$2,000 – \$5,000	As billed	As required	Insurer	As negotiated

	Bananas Smoothies & Frozen Yogurt	Method of Payment	When Due	To Whom Payment Is To Be Made	Refundability
Opening Inventory ^{2f}	\$1,500 – \$7,000	Vendors' Terms	Vendors' Terms	Approved Suppliers	As negotiated
Utility Deposits ^g	\$2,000	As arranged	As incurred	Utility Companies	As negotiated
Business Licenses ^{2f}	\$1,000 – \$4,000	Lump sum	Before commencing business	Governmental Authorities	As negotiated
Travel, Lodging and Meals for Initial Training ¹⁹	\$200 – \$2,000	As incurred	Before commencing business	Third Parties	As negotiated
Professional Fees ¹¹	\$5,000 - \$10,000	As arranged	As incurred	Professionals	Non- refundabl
Additional Funds ¹²	\$5,000		As needed	Various	As negotiated
Computer Equipment ¹³	\$10,000 – \$20,000	As billed	As ordered	Suppliers	As negotiated
Advertising and Marketing	\$3,000	Lump sum	15 days before opening	Advertising Agency	As negotiated
TOTAL:	\$94,200 - \$320,000				

**ESTIMATED INITIAL INVESTMENT FOR CONVERSION FROM
AN EVERYTHING YOGURT, AND/OR BANANAS SMOOTHIES & FROZEN YOGURT, AND/OR
GRETEL'S PRETZELS
TO BANANAS SMOOTHIES & FROZEN YOGURT**

	Everything Yogurt, and/or Bananas Smoothies & Frozen Yogurt, and/or Gretel's Pretzels To Bananas Smoothies & Frozen Yogurt	Method of Payment	When Due	To Whom Payment Is To Be Made	Refundability
Franchise Fee ^{1f}	\$2,200 – \$7,700	Lump sum (unless Deposit Agreement)	Execution of Franchise Agreement	Us	Non-refundabl
Equipment ^{2f}	\$32,000 - \$79,000	As billed	As ordered	Suppliers	As negotiated
Signs ^{2f}	\$3,500 - \$12,000	As billed	As ordered	Suppliers	As negotiated
Real Estate ^{2f}	(Note 4)	As required	As required	Sellers or Landlord	As negotiated
Building Construction ^{2f}	\$20,000 - \$100,000	As billed	As incurred	Contractors Sub- Contractors	As negotiated
Insurance ^{2f}	\$2,000 - \$5,000	As billed	As required	Insurer	As negotiated
Opening Inventory ^{2f}	\$4,500 - \$9,500	Vendors' Terms	Vendors' Terms	Approved Suppliers	As negotiated
Utility Deposits ^g	\$2,000	As arranged	As incurred	Utility Companies	As negotiated
Business Licenses ^{2f}	\$1,000 - \$4,000	Lump sum	Before commencing business	Governmental Authorities	As negotiated
Travel, Lodging and Meals for Initial Training ¹⁹	\$200 - \$2,000	As incurred	Before commencing business	Third Parties	As negotiated
Professional Fees ¹¹	\$2,500 - \$10,000	As arranged	As incurred	Professionals	Non-refundabl
Additional	\$5,000		As needed	Various	As negotiated

	Everything Yogurt, and/or Bananas Smoothies & Frozen Yogurt, and/or Gretel's Pretzels To Bananas Smoothies & Frozen Yogurt	Method of Payment	When Due	To Whom Payment Is To Be Made	Refundability
Funds ^{1/2}					
Computer Equipment ^{1/3}	\$10,000 – \$20,000	As billed	As ordered	Suppliers	As negotiated
Advertising and Marketing	\$3,000	Lump sum	15 days before opening	Advertising Agency	As negotiated
TOTAL:	\$87,900 – \$259,200				

NOTES:

¹ The initial franchise fees are discussed in detail in Item 5.

² You will need to purchase certain types of equipment for the operation of your Bananas Smoothies & Frozen Yogurt restaurant depending on what types of products you intend to sell from your Bananas Smoothies & Frozen Yogurt restaurant. This equipment includes for example, soft serve machines (in the event that you offer Everything Yogurt brand yogurt), commercial refrigeration and freezer units, smallwares, blenders and juice dispensers (if you offer Bananas Smoothies & Frozen Yogurt brand frosties and smoothies), dough mixing machines (if you offer Gretel's Pretzel's brand pretzels), heated/humidified pretzel display case, convection ovens, ice cream case, coffee, espresso and cappuccino machines, showcases, computer hardware and software, cash registers or Point of Sale System, and other kitchen equipment for quick service restaurants.

Some or all of the equipment may be subject to local use taxes as required by the State jurisdiction governing your Franchised Business. Shipping and handling charges also vary based on size of the order and shipping destination. The costs are not included in the equipment amounts provided. The low-end equipment costs anticipate that the location was a food service business and contains certain equipment that could be used by your Franchised Business.

³ You will need to purchase the required signs including signs for the exterior of the restaurant(s) and interior menu signs.

⁴ You must purchase or lease the site approved by us for the Franchised Business. The cost of purchase or rental for such real estate will vary considerably depending on local real estate values, the size and location of the property purchased or leased, and other local conditions. You should investigate the cost of real estate and rental costs in the particular area in which you wish to establish a Franchised Business. You may be required to provide the Landlord with a security deposit. Since the rental costs vary considerably and because the number of months comprising the security deposit will vary, we cannot estimate the amount of the initial investment necessary for real estate.

Bananas Smoothies & Frozen Yogurt franchised restaurants or combinations of restaurants are situated in shopping malls or other high volume commercial districts. The following chart describes the size requirements.

	<u>Mall Locations</u>			<u>In-Line Locations</u>		
	<u>Site Size</u> <u>Minimum</u>	<u>Site Size</u> <u>Maximum</u>	<u>Frontage</u>	<u>Site Size</u> <u>Minimum</u>	<u>Site Size</u> <u>Maximum</u>	<u>Frontage</u>
Bananas Smoothies & Frozen Yogurt	225	800	12 - 18	425	1000	12 - 20

Actual minimums and maximums will vary depending upon food court seating versus restaurant seating as available/needed.

You are free to purchase, lease, or sublease a site for the franchised restaurants from any source, provided that any lease or sublease for the premises of the franchised restaurant must meet our standards. As noted in Item 1 and in Item 9 of this offering circular, our affiliates may sometimes sublease the premises for the Franchised Business to you.

- ⁵ You must pay for or provide financing for the construction of each Franchised Business, including, but not limited to, the installation of fixtures, equipment, interior decor as well as design and construction. The cost of design and construction of the typical Franchised Business will vary considerably depending on the size of the store, whatever demolition of the existing space is required, local financing and other local conditions, including but not limited to, labor costs and materials as well as local building ordinances which may mandate higher construction costs. Construction costs at the lower end are based on the assumption that the location was previously a food service operation. Therefore, it is anticipated that construction in a location formerly used for food service may be completed at considerable savings over construction at a non-food service site. Each Franchised Business must be constructed in compliance with plans and specifications furnished by you subject to Landlord's and our discretion or approval.
- ⁶ You must have certain specified insurance. The timing of your payments is a matter to be resolved between you and your insurer. Various factors will affect your ultimate cost and therefore, we estimate the total cost with the precaution that you should get quotes from the carrier of your choice before proceeding.
- ⁷ Opening inventory will include all approved products and may also include a trial inventory for training. You will gauge the amount of inventory by projected sales.
- ⁸ Utility deposits are for gas, electric, water, sewer and telephone service.
- ⁹ Local, municipal, county and state regulations vary on what licenses and permits are required by you to operate a franchised restaurant. Such fees are paid to governmental authorities, when incurred before commencing business.

¹⁰The estimate includes transportation, lodging and meals for trainees. Generally, these costs will vary widely with the distance traveled, the accommodations selected, and the mode of transportation selected.

¹¹You may need to employ an attorney, accountant, construction permit expeditor, architect or other consultants.

¹²You will need to support ongoing expenses, such as payroll and utilities to the extent that these costs are not covered by sales revenue. New businesses often generate negative cash flow.

¹³You must purchase or lease a computer or electronic cash register, and we do specify the brand or model. You may not use any hardware and/or software in the operation of the restaurant without the Franchisor's prior approval, which approval will not be unreasonably withheld. (See Item 11)

We estimate that the amount stated will be sufficient to cover ongoing expenses for the initial phase of the business which we calculate to be three months. This is only an estimate, however, and there is no assurance that additional working capital will not be necessary during this start-up phase or after. We relied on our past experience with franchised and company-owned stores when preparing the figures.

**THERE ARE NO OTHER DIRECT OR INDIRECT PAYMENTS TO US IN
CONJUNCTION WITH THE PURCHASE OF THE FRANCHISE.**

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You will be required to purchase the prescribed products which currently include but are not limited to, proprietary Everything Yogurt brand frozen yogurt from us or our designated supplier. We currently designate Ferraro Foods, Inc., Piscataway, New Jersey as the only approved supplier of proprietary products. We will derive revenue from the purchase of the prescribed proprietary frozen yogurt and other products by you. We estimate that the purchase of proprietary and other products by you will represent .2% of the initial investment in a Bananas Smoothies & Frozen Yogurt restaurant and 20% of the on-going expenses in operating a Bananas Smoothies & Frozen Yogurt.

We have arranged for and entered into agreements with several companies that are responsible for distributing proprietary and other products to the Franchised Business. The distributors pay us an administrative fee which averages 3.34% of sales by distributors to the Franchised Business. This fee is based on sales to the Franchised Businesses in order to reimburse us for our costs incurred in connection with the administration of the distribution system and product liability requirements. The administrative fee represents revenue to us.

We have entered into an agreement with Pepsi Cola Company ("Pepsi") wherein we have agreed that Pepsi is to be the only approved fountain beverage supplier for the Franchised Business. By this agreement, Pepsi is required to make certain payments to us and to you in exchange for Pepsi brand soft drinks being the only approved fountain soft drinks you are

permitted to offer for sale from the Franchised Business. Everything Yogurt Brands, LLC company owned restaurants have agreed to sell such supplier's products exclusively through December 31, 2006. Under this program, Villa Management receives from this approved supplier: (1) rebates to be used for various marketing and promotional programs aggregating \$2.84 per gallon of post mix products, of which we will remit to you \$1.09 per gallon with respect to your purchases, if you participate in this program; (2) a price protection rebate equal to the amount, if any, by which gross weighted average national account prices increase by more than three percent (3%) over the prior year's rates; (3) a \$2,000 rebate for each new restaurant that sells this supplier's beverage products exclusively and remains open for a contractually agreed period, which rebate we will use in our discretion for marketing and grand opening support of your restaurant; (4) marketing support by the supplier valued at \$0.31 per gallon for post mix products; (5) growth incentive rebate of \$1.00 per gallon if post mix product purchased by the entire franchise system exceeds annual growth of 3% over the prior year; and (6) rebates of \$0.50 per case of packaged beverage products, which are to be used for certain marketing programs. Except as described above, because the amounts involved, if received at all, are so *de minimis*, that the accounting and calculation involved would be extremely difficult and costly. In addition, the rebates described in Nos. (4) and (6) above, will not be shared with our franchisees, but will be used in their entirety to cover system-wide marketing expenditures. As noted above, under the Franchise Agreement, you have no contractual right to any of these rebates, and we may use them at our discretion.

We have an agreement with Snapple Beverage Group, Inc. ("Snapple") wherein we have agreed that Snapple is the approved supplier of brand teas and juice drinks, enhanced waters and other beverage products for the Franchised Business. By this agreement, Snapple will make certain payments to us in exchange for Snapple drinks being the approved non-carbonated beverages which may be offered for the sale from the Franchised Business. We also have an agreement with Bakery de France to be our approved supplier of bread and bread products to your franchised business for which we will receive further compensation (see item 16 below).

In the event that your Franchised Business is permitted, by your agreement with us and/or your lease for your approved location, to sell ice cream, we have entered into an agreement with Dreyer's Grand Ice Cream, Inc. ("Dreyer's"), which company produces "Edy's Grand Ice Cream" by which Dreyer's is an approved supplier of ice cream to your Franchised Business. By this agreement, we will receive certain payments from Dreyer's in exchange for having Edy's ice cream as the approved ice cream supplier to your Franchised Business. We also have an agreement with Bakery de France to be our approved supplier of bread and bread products to your Franchised Business for which we will receive further compensation. See Item 12 below for more information.

During the last twelve months ended December 31, 2005, we had revenue of \$1,058,513 according to audited financial statements. \$7,126 of this amount (or a *de minimis* percentage of our total revenues) consisted of revenues from the sale of all products to franchisees of Greenleaf's Grille, Treat Street, South Philly Steaks & Fries, Everything Yogurt, Everything Yogurt & Salad Café, Gretel's Pretzels, and Bananas Smoothies & Frozen Yogurt. We have certain costs which offset this revenue including: cost of goods sold, administrative expenses, bad debt reserve, legal expenses, and general office expenses.

We may from time to time revise our standards and specifications, including minimum standards of quality, delivery, performance, warranties, design, appearance, and other restrictions to insure uniformity and quality in all company-owned and Franchised Businesses. You are required to purchase or lease all equipment, supplies, logo-bearing paper products, and other products and materials used in the operation of the Franchised Business in accordance with our specifications as set forth in the Manual, or otherwise in writing.

We also require that most items are purchased or leased solely from suppliers that have been approved in writing by us (and not thereafter disapproved) as meeting our standards and specifications, pursuant to designation in the Manual or otherwise in writing. To obtain approval as a supplier of a particular item, the supplier must demonstrate to our continuing reasonable satisfaction that it has the ability to meet our current standards and specifications for such items, possesses adequate quality controls and has the capacity to supply your needs promptly and reliably.

We maintain a list of approved suppliers for the Franchised Business and that list may be modified from time to time. If you send us a written request, we will send you and your suppliers a set of System standards and specifications for items which must be purchased or leased in accordance with our standards and specifications. We may, from time to time, change and revise the System standards, and specifications, and you and approved suppliers must comply with the new or changed standards and specifications.

If you desire to purchase or lease from an unapproved supplier, you must submit a written request for approval to us, or request the supplier itself to do so. We will have the right to require that our representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered for testing, at our option, either to us or to an independent, certified laboratory designated by us. You, or the suppliers will be required to pay a charge not to exceed the reasonable cost of any inspection conducted and the actual cost of any testing undertaken. We reserve the right, at our option, to re-inspect the facilities and products of any such approved supplier and to revoke our approval on the supplier's failure to continue to meet any of our criteria for approval. We may consider compliance with purchasing requirements through the operational review process in determining whether to renew or grant additional franchises.

We will advise you in writing of the approval or disapproval of a proposed supplier within 90 to 120 days of a request for approval. If an inspection of the facilities or products of any previously approved supplier results in its disapproval, we will give you written notice within a reasonable time of the inspection, and we will provide you with a reasonable time to obtain an alternate supplier, if necessary.

We and our affiliates are presently the only approved supplier for the following items: frozen yogurt mix and pretzel dough. In addition, we and our affiliates may be approved suppliers for certain food items, and equipment (for each of which there is at least one additional approved supplier). Neither we nor our affiliates are approved suppliers for other products, equipment or services.

We currently require that in order to qualify as an approved supplier of architectural and engineering services, the architectural and engineering firm selected by you must meet the following criteria:

1. must have a minimum of 5 years experience in commercial architecture with an emphasis on food service and restaurant design;
2. provide us with a minimum of 3 letters of recommendation from other national food service retail clients;
3. hold an architectural/engineering license in the respective state of the project;
4. must agree to meet the following drawing submission time frames:
 - a. Kitchen Equipment Floor Plan Development - 3 working days from receipt of conceptual sketch from us;
 - b. Final Working Drawings Preparation - 10 working days from receipt of final approved kitchen equipment floor plan from us; and
5. must have competency and familiarity with all applicable federal, state and local laws, codes and ordinances.

We have the right to approve the terms of any lease or sublease for the premises of your franchise. Typically, one of our affiliates will execute a mutually satisfactory lease, and you may execute a sublease on substantially the same terms. Sometimes we may authorize you to execute a lease with the owner of the premises that is acceptable to both you and us, along with a conditional assignment of lease in favor of us or one of our affiliates. Any lease that you sign must be exclusively for the operation of a Bananas Smoothies & Frozen Yogurt restaurant, and must provide that upon termination or expiration of the franchise, for any reason, the Franchisor or one of its affiliates will have the right, but not the obligation, to assume the lease, and replace you as tenant. If we exercise that right, we will fully indemnify you from all liability for future rent and all other future obligations under the lease (though not from any liability for unpaid rent or any then-existing liabilities or obligations under the lease). You must agree to sign any documents required to assign the lease to us or our designee.

In order to assure uniform reporting of financial information throughout the System, we reserve the right to require you to obtain computer hardware and software for maintaining your accounting books and records. Such computer hardware may include point of sale and telecommunications devices, and may be a single program or set of programs (see item 11).

ITEM 9

FRANCHISEE'S OBLIGATIONS

THIS TABLE LISTS YOUR PRINCIPAL OBLIGATIONS UNDER THE FRANCHISE AND OTHER AGREEMENTS. IT WILL HELP YOU FIND MORE DETAILED INFORMATION

ABOUT YOUR OBLIGATIONS IN THESE AGREEMENTS AND IN OTHER ITEMS OF THIS OFFERING CIRCULAR.

<u>Obligation</u>	<u>Section in Franchise Agreement</u>	<u>Item in Offering Circular</u>
a. Site selection and acquisition lease	Sec. 3; Exh. E Sublease Agreement in its entirety	Items 8, 11 and 12
b. Pre-opening purchases/leases	Secs. 3, 4, 5 and 6	Items 5, 7, and 8
c. Site development; other pre-opening requirements	Sec. 5 and Para. 11.01	Items 8 and 11
d. Initial and ongoing training	Sec. 7	Item 11
e. Opening	Sec. 3	Items 7 and 11
f. Fees	Secs. 10, 15, 16, 18, Sublease Agreement	Items 5 and 6
g. Compliance with standards and policies/Operating Manual	Secs. 12, 13 and 14	Items 11 and 14
h. Trademarks and proprietary information	Sec. 12	Items 13 and 14
i. Restrictions on products/services	Secs. 1 and 8	Items 8 and 16
j. Warranty and customer service requirements	N/A	Item 16
k. Territorial development and sale quotas	Sec. 3	Item 12
l. Ongoing product/service purchases	Secs. 8 and 11	Items 8 and 16
m. Maintenance, appearance and remodeling requirements	Secs. 4, 5 and 6	Item 8
n. Insurance Agreement	Sec. 17	Item 7
o. Advertising	Sec. 16	Items 6 and 11
p. Indemnification	Sec. 24	None
q. Owner's participation/ management/staffing	Secs. 7 and 8	Item 15
r. Records/reports	Sec. 15	Items 6 and 9

<u>Obligation</u>	<u>Section in Franchise Agreement</u>	<u>Item in Offering Circular</u>
s. Inspection/audits	Sec. 15	Items 6 and 11
t. Transfer	Sec. 18	Items 6 and 17
u. Renewal	Sec. 2	Items 6 and 17
v. Post-termination obligations	Sec. 22 and Para. 29.03	Item 17
w. Non-competition covenants	Sec. 22 and Para. 29.03	Item 17
x. Dispute resolution	Sec. 29	Item 17
y. Taxes/permits	Sec. 23	Items 1 and 7

ITEM 10 **FINANCING**

We do not offer direct or indirect financing to you, although we work with the Small Business Administration approved lenders "CIT" and "Popular Small Business Capital" and will work with You to help You process SBA funding through any approved lender. We do not customarily guarantee any of your notes, leases, or other obligations to third parties although we have, from time to time, given certain limited guaranties on leases (but we have no obligation to do so). Before we agree to provide a limited guaranty of your lease with a third party, you must have acceptable credit and our limited guaranty is given only when it is the only way to obtain an exceptional location.

Item Financed	Amount Financed	Down Payment	Term (years)	APR %	Monthly Payment	Prepay Penalty	Security Required	Liability upon Default	Loss of Legal Right on Default
Leased Space ¹	None	Primary Lease determines	Primary Lease determines	N/A	Primary Lease determines	None	Personal Guaranty	Loss of Franchise, sublease terminates, attorney fees and expenses	None

Note:

¹ In most cases you will lease the franchised premises directly from a third party landlord. If we are a lessee of the franchised premises and we obtain the permission of the lessor, we will sublease the premises to you upon the terms and conditions of the Primary Lease (Section 1 of Sublease Agreement [Exhibit E to Franchise Agreement]). If, as a result of our relationship with the landlord, we are granted a credit from the landlord, we will retain the credit (Section 8 of Sublease Agreement). You are bound under the sublease not to assign or transfer the sublease without our permission (Section 5 of Sublease Agreement) and to indemnify us for all cost and expenses we incur as a result of an action brought by you or by us on our behalf (Section 7 of Sublease Agreement). All Franchise Agreement advertising contributions are characterized as additional rent (Section 9 of Sublease Agreement). A violation under the Franchise Agreement will constitute a violation of the Sublease Agreement (Section 11 of Sublease Agreement). We may also re-enter the leased premises for non-payment of rent or other violation of the Primary and Sublease Agreement (Section 12 of Sublease Agreement).

Whether, and on what terms, you can obtain financing from third parties will depend on a variety of factors, including your own creditworthiness, the type of security you can offer, the policies of lending institutions, and the availability and cost of commercial credit generally. You may not be able to obtain a loan.

ITEM 11

FRANCHISOR'S OBLIGATIONS

Except as listed below, we do not need to provide any assistance to You.

Pre-Opening Obligations

We will provide the following pre-opening assistance:

1. We will provide you with assistance in choosing and evaluating a location. (Franchise Agreement, Section 3);
2. We will also provide guidance to you in developing your restaurant. We will provide you with specifications for inventory and supplies, equipment, furniture, fixtures, and related elements of décor, and the exterior and interior signs required for the restaurant. (Franchise Agreement, Section 4);
3. We will provide initial training to you (or your principal owner) and your full-time Restaurant Manager. This training is described in detail later in this Item. (Franchise Agreement, Section 7);
4. We will loan to you a copy of our confidential Operations Manual (Franchise Agreement, Section 13). The table of contents is attached to this Offering Circular as Exhibit F.

Continuing Obligations

1. We will provide the periodic operating assistance to you with regard to the System, including improvements and changes that we determine are necessary. This assistance may include advice and guidance regarding hiring and evaluating personnel, food preparation and supplying menus and food recipes, preparation and requirements, advertising and promotions, and evaluating and testing new food developments (Franchise Agreement, Paragraph 9(a));
2. We may furnish, from time to time, other manuals, business information and literature as we determine will be helpful in improving the operation of the restaurant. (Franchise Agreement, Paragraph 9(b));
3. We will provide additional instructional and training materials that we determine may be helpful in improving the operation of your restaurant. (Franchise Agreement, Paragraph 9(b));

4. We, at our discretion, may administer an advertising fund (the "Advertising Fund") for the development of advertising and related programs and materials. (Franchise Agreement, Section 21).

Site Selection

We must approve your selected site for the Franchised Business. We will look at evidence of your commitment and ability to obtain a site and evaluate the site based on the type of retail environment in which the site is located and demographic factors including the density of traffic within the primary trade area. You must lease or acquire a location within a pre-determined number of days after execution of the Franchise Agreement. The number of days is negotiated by us with you at the execution of your Franchise Agreement. Our approval of the site is no guarantee of the success of the business. Our approval of the site is not a representation as to its suitability and does not assure the success of the business.

We estimate that the typical length of time between signing your Franchise Agreement and the opening of the Franchised Business to be 90-180 days after the site is available for renovations. Factors which may affect this time period include the length of time to obtain a satisfactory site, financing, compliance with local ordinances, training, construction delays and delivery and installation of signs and equipment.

We generally do not own the premises of the Franchised Business, however in some cases our affiliates may hold a lease to the premises of the Franchised Business and sublease the site to you.

In some cases, we may receive information from the landlords of prospective locations from which you may wish to operate the Franchised Business which information we may pass on to you. We do not take any steps to verify the accuracy of such information and have no way to know if it is accurate or not. As such, any information we pass on to you from prospective landlords should be verified by you before you rely on it.

The procedures for site selection will be applicable to all System franchisees.

Training Programs

Prior to the opening of the Franchised Business we will provide initial training programs. You and/or at least one designated manager must attend and successfully complete our program. The training program will be conducted in Staten Island, New York or at another designated training facility. The training program emphasizes on-the-job training but may also incorporate classroom training. It will also include accounting and administrative procedures training along with other elements of restaurant management. We do not charge a fee for the initial training program. There is no cost for the training, however, you will be responsible for all expenses incurred in training by you and/or your manager, including, but not limited to, travel costs, room, board and wages. Our training department will assess your satisfactory completion of training which will include proficient performance evaluation in all task areas and management areas related to the operation of the Franchised Business. We will assess competence and proficiency through a combination of written and/or oral tests and quizzes and observations. If you or your manager have not satisfactorily completed the training, you may be required to attend further follow-up training for which at our sole

discretion, you may be required, to pay for the training instructors, materials, or incidental costs associated with providing the additional training.

Experience of Instructors

Souhail Sara is the Director of Franchise Operations and oversees our training program. His biography appears in Item 2 above.

Types of Instruction in Initial Training

The training program for the Franchised Business consists of two 50-60 hour six-day work weeks. Training typically begins 5 to 6 weeks before opening and must be completed before the anticipated opening of the Franchised Business.

Training Detail

Subject covered by initial training program described below:	Subject	Instructional Material	Classroom Training Hours	Hours of On-the-Job Training
Bananas Smoothies & Frozen Yogurt	Initial Training consists of scheduling, inventory management, cash management, purchasing, human resource management, training, hiring, safety and security, register operations, opening and closing procedures, running of shifts and customer service standards, ingredients, menu items, product preparation, product holding and serving procedures, and sanitation and food safety	Training Manual	15 hours	Minimum of 45 hrs.

Additional Training Programs

We may offer mandatory supplemental training courses or seminars to you and your manager(s) of the Franchised Business, and we may provide periodic marketing training programs or seminars of a specialized nature for other employees. We will pay for the training instructors, facilities, and training materials for the supplemental courses and you will be required to pay for all other expenses, including, but not limited to, wages, travel and living expenses for you and your manager or employees.

We may offer additional voluntary supplemental training courses or seminars to you and your manager(s) and may provide other optional training programs or seminars of a specialized nature for your other employees. Attendance will be at your discretion and you must pay all costs for wages, travel and living expenses. You may also be required to pay expenses for training instructors, training facilities, training materials, registration fees or exam fees for the optional training courses or seminars. We will notify you in writing of all optional expenses and you will be required to notify us in writing before the training that you accept and will pay the costs.

Manuals

We will loan you a copy of our Manuals for your Franchised Business which contains our standards of operations, manager systems, recipes and training material. The Manual is confidential and remains our property. A copy of the table of contents from our Manual for Bananas Smoothies & Frozen Yogurt is contained in Exhibit F.

Advertising and Promotion

Local Advertising Expenditure

If the Franchise Business is not located in a Regional Shopping Mall, Urban Retail Center, Major Office Building, Airport or Institutional Feeding Facility you must spend a minimum of 3% of Gross Sales each calendar quarter on local advertising. We require you to give us a report of the amounts you spend on local advertising within 10 days following the end of each calendar quarter. We require all company owned or affiliate owned restaurants to spend money for local advertising on an equal percentage basis with Franchised Businesses. You may purchase local advertising separately through local marketing and media sources within the geographical area. The Local Advertising Expenditure is your responsibility, however, you must receive written approval from us before you may use any advertising material.

National Advertising Fund

We established, and currently maintain and administer an advertising program which we call the National Advertising Fund (the "Fund"). You must contribute an amount, designated by us, not to exceed 3% of weekly Gross Sales to the Fund. The required contribution amount is currently 1% of weekly Gross Sales. The amounts required under the National Advertising Fund will be taken by check draft from your bank account on each Tuesday for the week ending the preceding Sunday and reports must be submitted weekly by facsimile, electronic mail or such other system or systems as we may designate on a system wide basis or we may, at our sole option, require you to submit reports manually and send in a check.

We will direct all advertising programs supported by the Fund, with sole discretion over the creative concepts, materials and media used in such programs and their placement and allocation. We may, for example, decide to advertise in print, on radio or in television commercials in certain locations or throughout the nation. We prepare some of the advertising materials ourselves and others are prepared by an advertising agency. The Fund is used to maximize general public recognition and acceptance of the Proprietary Marks and the System, and we are not obligated in administering the Fund to make expenditures for you that are equivalent or proportionate to your contribution or to ensure that any particular franchisee benefits directly or *pro rata* from the expenditures of the Fund.

We will permit you to use your own advertising material provided that it is reviewed and approved by us before it is used.

We will contribute a proportionate amount to the Fund for each of our company-owned stores.

The Fund will be used to meet the costs of maintaining, administering, directing and preparing advertising (including, without limitation, the cost of preparing and conducting television, radio, magazine and newspaper campaigns and other public relations activities; advertising agencies

to assist; and providing promotional brochures and other marketing materials for you to distribute). All of the money paid by you will be maintained in a separate account from our other funds and will not be used to defray our general operating expenses. The money may be used for reasonable administrative costs and overhead that we may incur in administering or directing the Fund and advertising programs including conducting market research, preparing marketing and advertising materials and collecting and accounting for assessments for the Fund.

We will prepare an annual accounting of the Fund which will be available to you on request. We specifically reserve the right to require any advertising cooperatives to be formed, changed, dissolved or merged. No part of the advertising funds are devoted to the solicitation of franchisees. Any funds which are left in the Fund at the end of the fiscal year are carried into the next year.

You may not advertise or maintain a presence on the Internet or any other computer network in connection with your Franchised Business without our prior approval which we have the right to withhold in our sole discretion.

You may not use any of our Licensed Marks on the World Wide Web and must obtain our permission and approval for all Internet domain names and/or home page addresses.

Electronic Point-Of-Sale and Computer Systems

You will need to purchase or lease a Point of Sale system in order to operate the Franchised Business. The current Point of Sale system is a CRS, model number CRS3000. You may substitute alternate equipment only if approved by us. We reserve the right to require that this system be upgraded on a system-wide basis at any time. There is no limit on the frequency or cost of this obligation. All franchisees are required to have calling/modem capabilities available.

The Point of Sale system is manufactured by CRS, Incorporated, 2909 Anthony Lane, NE, Minneapolis, Minnesota 55418. CRS's telephone number is (800) 333-4949. The CRS system has been in continuous use by us for over eight years. Service and price quotes would be through a designated district location.

The Point of Sale system will generate information with regard to sales including, but not limited to, continuity of transactions, sales tax information, and product mix information. We may require electronic transmission of this information on a periodic basis not to exceed one time per week. We will not have independent access to this information and data.

ITEM 12

TERRITORY

The Franchisor grants you the right to operate one restaurant under the Licensed Marks at a specific location to be approved by us. You have no territorial or exclusive rights and the Franchisor has the unfettered right to own, operate, and license others to own and operate any of our restaurant concepts anywhere, including in the vicinity and market area of your restaurant. You may not conduct the business of your restaurant at any site other than the premises, or relocate your restaurant without our prior written consent. The Franchise Agreement does not provide you with any options, rights of first refusal, or similar rights to acquire additional franchises. Although the franchise does not specify territory, we normally do not put another franchised operation within one-tenth of a mile of your location. If your location is in a mall, we do not place another franchise within the mall.

Except for rights expressly granted to you under the Franchise Agreement, we and our affiliates retain all of our respective rights and discretion with respect to our Marks, the System and our restaurants and restaurant concepts anywhere in the world and to engage in any other business, including the right to:

- (a) operate, and grant others the right to operate, any of our restaurants or restaurant concepts at locations and on terms and conditions we deem appropriate;
- (b) sell any products or services under our Marks or under any other trademarks, service marks or trade dress, through other channels of distribution; and
- (c) operate, and grant to others the right to operate, restaurants identified by trademarks, service marks or trade dress, other than the Licensed Marks, under terms and conditions we deem appropriate.

If you require a lease site at an approved location other than an airport or an institutional feeding facility, (including, but not limited to, hospitals, hotels, and corporate or school cafeterias), we will grant you a circular area in which we may not franchise or establish a Franchised Business of the same type as you will operate. You will be provided with a protected area having a radius measured from the front door of the Franchised Business in all directions that is one-tenth of a mile from the Franchised Business or in the case of a Regional Shopping Mall, a protected area limited to the Regional Shopping Mall. This radius will be stated in the Franchise Agreement. Except in certain circumstances on a case by case basis, we do not grant a protected area with regard to airports or institutional feeding facilities. We retain the right, to franchise, operate, and/or distribute by any means services and products of the same type offered at your Franchised Business at these airports or institutional feeding facilities. Except as otherwise provided, we retain the right under the Franchise Agreement to use and franchise others to use the System under which your Franchised Business operates and the proprietary marks associated with that System, limited, of course, to locations outside your protected area. We also reserve the right under the Franchise Agreement, to develop and establish other franchise systems for the same or similar or different products or services under other proprietary marks and to operate a Franchised Business under these systems both within and outside of your protected area without granting you any right. We retain the right to develop, operate, and franchise other fast-food and conventional restaurant businesses using different proprietary marks. We also retain the right to use the proprietary marks described in Item 13 of this offering circular, and any other proprietary marks designated by us for use with the Systems in connection with the sale of food and other products at wholesale or retail, both within and outside

your protected area (although on occasion we have granted a protected area within an airport terminal).

You do not ordinarily receive the right to acquire additional franchises within your area.

We and/or our affiliates may now, or in the future distribute certain packaged products through groceries, supermarkets, and similar outlets (the "Packaged Products"). We may also now, or in the future, distribute and sell our bulk products including, but not limited to the proprietary frozen yogurt in a wholesale bulk package (the "Bulk Products") to captive market accounts such as stadiums, sports arenas, theme parks and institutional feeding facilities (the "Captive Market Accounts"). The Franchise Agreement does not grant you any rights with regard to the Packaged Products or Bulk Products which are now or may be distributed through groceries, supermarkets, and similar retail outlets, or to Captive Market Accounts.

ITEM 13 **TRADEMARKS**

The following are the principal marks which we have registered on the Principal Register of the United States Patent and Trademark Office for a Bananas Smoothies & Frozen Yogurt with an Everything Yogurt franchise:

Mark	Date of Registration	Number
EVERYTHING YOGURT	1/18/88	1,056,795
EVERYTHING YOGURT (Logo)	1/22/77	1,078,128
GOOD HEALTH IS EVERYTHING	1/26/88	1,474,620

The following principal mark will be licensed to you in connection with an Bananas Smoothies & Frozen Yogurt Franchised Business and is pending registration on the Principal Register:

Mark	Date of Application	Number
BANANAS SMOOTHIES & FROZEN YOGURT (LOGO)	7/25/95	75-412271

The following are the principal marks which we have registered on the Principal Register of the United States Patent and Trademark Office for an Bananas Smoothies & Frozen Yogurt with a Bananas Smoothies & Frozen Yogurt franchise:

Mark	Date of Registration	Number
BANANAS SMOOTHIES & FROZEN YOGURT FROSTY FRUIT SHAKES (LOGO)	5/14/85	1,336,180

The following principal mark will be licensed to you in connection with an Bananas Smoothies & Frozen Yogurt and Gretel's Pretzels Franchised Business and is registered on the Principal Register:

Mark	Date of Registration	Number
GRETEL'S PRETZELS	7/04/2000	2,364,637

When you purchase an Bananas Smoothies & Frozen Yogurt, we also license the use of whichever "core concepts", Everything Yogurt, Bananas Smoothies & Frozen Yogurt or Gretel's Pretzels, you have purchased.

All required affidavits have been filed.

Other than the opposition disclosed in Item 3 herein, there are no currently effective determinations of the United States Patent and Trademark Office, of any state, or of any court, nor are there any pending interference, opposition, or cancellation proceedings or any pending material litigation involving the Proprietary Marks which may be relevant to their use in this state or any other state. Everything Yogurt Brands, LLC obtained ownership of the Mark by assignment on August 14, 2003. All required affidavits have been filed with the United States Patent and Trademark Office.

We are not obligated by the Franchise Agreement or any other agreement to protect your right to use the Proprietary Marks or to protect you from any claims of infringement or unfair competition with respect to them. Nevertheless, it is in our interest to do so and in the event we do so, the Franchise Agreement requires that you execute all documents requested by us or our counsel that may be necessary to obtain protection for the Proprietary Marks or to maintain their continued validity or enforceability, and to take no action that would jeopardize the validity or enforceability of the Proprietary Marks.

There are no superior prior rights or infringing uses actually known to us that could materially affect your use of the Proprietary Marks in this state or elsewhere.

There are no agreements currently in effect which significantly limit our rights to use or license the use of the Proprietary Marks in a manner material to the franchise.

We reserve the right to substitute different proprietary marks for use in identifying the Systems and the businesses operating under them, if we, at our sole discretion, determine that the substitution of different marks as Proprietary Marks will be beneficial to the Systems. You must promptly implement any substitution of new Proprietary Marks. We will bear the costs of modifying your marketing materials to conform to our new Proprietary Marks, but will otherwise have no obligation or liability to you for a substitution.

ITEM 14
PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We do not own any right in or to any patents or registered copyrights which are material to the Franchised Business.

Confidential Operating Manual

You can use our proprietary information in our Manual which is described in Item 11. You must operate the Franchised Business in accordance with the standards, methods, policies, and procedures specified in the Manual, as we revise them. You must treat the Manual, and the information contained in it, as confidential, and must use all reasonable efforts to maintain such information as secret and confidential. You must not at any time reproduce the materials in whole or in part, or otherwise make them available to any unauthorized person without our prior written consent. The Manual, will at all times, remain our sole property and must be kept in a secure place.

Revisions to the Manual will not unreasonably affect your obligations, including economic requirements, under the Franchise Agreement.

Confidential Information

You must not, during or after the term of the Franchise Agreement, communicate, divulge, or use for the benefit of any other person or entity, any confidential information, knowledge, or know-how concerning the methods of operation of the Franchised Business which may be communicated to you or of which you may be apprised of by virtue of your operation under the Franchise Agreement.

You may divulge such confidential information only to those employees who must have access to it in order to perform their employment responsibilities. Any and all information, knowledge, know-how, and techniques which we designate as confidential will be deemed confidential for purposes of the Franchise Agreement, except information that you can demonstrate came to your attention prior to disclosure by us; or which, at the time of disclosure by us to you, have become a part of the public domain, through publication or communication by others, or which, after disclosure to you by us, becomes a part of the public domain, through publication or communication by others. At our request, you must require any employees having access to our confidential information to execute covenants that they will maintain the confidentiality of information they receive during their association with you.

ITEM 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL
OPERATION OF THE RESTAURANT

Your Franchised Business must be under the direct on-premises supervision of a manager who has satisfactorily completed the required initial training as described in Item 11. We do not require that you act as manager of the Franchised Business. We recommend that you personally

participate in the actual management and operation of the Franchised Business. If you are a corporation, we also require all officers, directors, and holders of a beneficial interest of five percent or more of the securities of the corporation and of any corporation directly or indirectly controlling a corporate or partnership franchisee, and to the general partners and any limited partner of a partnership or member of a limited liability company franchisee, to guarantee the obligations under the Franchise Agreement. We also require completion and attendance at all required training and follow up requirements specified in the Confidential Operations Manual and we require that you obtain the same commitment from the manager for each of your Franchised Businesses. We do not require the manager to have an equity interest in your Franchised Business or to guarantee the obligations under the franchise agreement. We will require that you impose upon any manager you may hire the obligations contained in the Franchise Agreement relative to the confidentiality of the Operations Manual and the obligation not to compete with us. We also require that you meet the standards of local health department and other code enforcement agencies within your jurisdiction.

If you are a partnership, corporation, limited liability company or other legal entity, each owner must undertake to be personally bound, jointly and severally, by your obligations under the Franchise Agreement, if any. The guaranty agreement is incorporated in the Franchise Agreement attached hereto as Exhibit A.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must sell or offer for sale all products and services authorized by us and may not sell or offer for sale any products or services which have not been authorized. You may be restricted in the use of your premises by the use clause in your lease. Further, the Franchise Agreement prohibits the use of the restaurant premises for any purpose other than the operation of the Franchised Business. We have the right to change the types of authorized products and services and there are no limits on our right to make changes.

As set forth in Item 8 above, an approved supplier of beverage products has agreed, subject to certain conditions, to pay our affiliate, Villa Management, rebates based on purchases from Everything Yogurt Brands, LLC company owned restaurants, as well as purchases from our Franchisees who choose to sell such supplier's beverage products exclusively.

We have entered into an agreement with the Snapple Beverages Group, Inc. ("Snapple") wherein we have agreed that Snapple is to be the sole approved tea products, juices, juice drinks and enhanced water supplier for your Franchised Business. This means that you will be required to sell only Snapple brand beverage products, *i.e.*, Snapple, Mystic, Nantucket Nectars, Orangina, Stewarts and Yoohoo or such other products as Snapple may from time to time develop and make available ("Snapple Products") from your location. You will be required to purchase these products, directly from Snapple's affiliated distributors. We will arrange for this contact to be made.

In exchange for our agreement with Snapple that Snapple be the only approved tea products, juices, juice drinks and enhanced water supplier sold from our Franchised Businesses,

Snapple has agreed to compensate us based entirely upon the amount of Snapple Products that are purchased by our franchisees.

There are no restrictions on the customers to whom the goods or services of the Franchised Business may be sold.

ITEM 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

This table lists important provisions of the franchise and related agreements pertaining to renewal, termination, transfer and dispute resolution. You should read these provisions in the agreements attached to this offering circular.

Provision	Section in Franchise Agreement	Summary
a. Term of the Franchise	Sec. 2 and Sec. 1 of Sublease	10 years
b. Renewal or extension of the term	Sec. 2	1 additional 10-year term over terms of then-current Franchise Agreement
c. Requirements for you to renew or extend	Sec. 2	Notice, satisfaction of monetary obligations, compliance with Franchise Agreement, execute new Franchise Agreement and release, payment of a renewal fee, and others
d. Termination by you	No provision	You may not terminate the Franchise Agreement
e. Termination by us without cause	Sec. 3	If the restaurant lease is not signed within 9 months after execution of the Franchise Agreement
f. Termination by us with cause	Sec. 19	Default under the Franchise Agreement, bankruptcy, abandonment, and others
g. "Cause" defined – defaults which can be cured	Sec. 19	Failure to pay monies owed to us, failure to maintain required standards, violation of any federal, state or local law, and others
h. "Cause" defined – defaults which cannot be cured	Sec. 19	Bankruptcy, voluntary abandonment, conviction of felony, violation of in-term covenants, and others
i. Your obligations on termination/non-renewal	Secs. 19 and 22	Obligations include complete de-identification, payment of amounts due, compliance with covenants, and others
j. Assignment of franchise by franchisor	Sec. 18	There are no limits on our right to assign the Franchise Agreement
k. "Transfer" by you – definition	Sec. 18	Includes transfer of any interest in the Franchised Business
l. Our approval of transfer by you	Sec. 18	We have the right to approve transfers
m. Conditions for our approval of transfer	Sec. 18	Includes payment of money owed, execution of release by transferor, transferee assumes Franchisee's transferee assumes Franchisee's obligations, payment of transfer fee, and others
n. Our right of first refusal to acquire your business	Sec. 18	We can match any offer, or the cash equivalent
o. Our option to purchase your business	Sec. 18	We have the right to purchase any or all of your equipment, materials, or inventory at your cost or fair market value within 30 days of termination or expiration
p. Your death or disability	Sec. 18	Interest in Franchised Business will be transferred to a third-party we have approved
q. Non-competition covenants during the	Sec. 22	Includes prohibition on engaging in any other business similar to the Franchise Business within a 15

Provision	Section in Franchise Agreement	Summary
term of the franchise		mile radius of the Franchised Business under the same System, and includes prohibition on employing one of our employees or an employee of any of our franchises
r. Non-competition covenants after the franchise is terminated or expires	Sec. 22	Includes two-year prohibition similar to "q" on employment and engaging in a similar business within the protected territory, within a 15-mile radius of the Franchised Business, or within a 5-mile radius of any other Franchised Business under the same System
s. Modification of the agreement	Sec. 28	Must be in writing and signed by both parties
t. Integration/merger clause	Sec. 28	Only the terms of the Franchise Agreement are binding
u. Dispute resolution by arbitration or mediation	None	
v. Choice of forum or	Sec. 29	The choice of forum is Morris County, New Jersey Federal Court, Newark vicinage
w. Choice of law	Sec. 29	The New Jersey law applies generally, except for applicable franchise laws of other states*
*Certain states may require different or additional disclosures or revisions to the agreements with respect to the choice of forum and choice of law provisions of the Franchise Agreement.		

[These states have statutes which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise: ARKANSAS [Stat. Section 70-807], CALIFORNIA [Bus. & Prof. Code Sections 20000-20043], CONNECTICUT [Gen. Stat. Section 42-133e et seq.], DELAWARE [Code, tit.], HAWAII [Rev. Stat. Section 482E-1], ILLINOIS [Rev. Stat. Chapter 121 1/2 par 1719-1720], INDIANA [Stat. Section 23-2-2.7], IOWA [Code Sections 523H.17], MICHIGAN [Stat. Section 19.854(27)], MINNESOTA [Stat. Section 80C.14], MISSISSIPPI [Code Section 75-24-51], MISSOURI [Stat. Section 407.400], NEBRASKA [Rev. Stat. Section 87-401], NEW JERSEY [Stat. Section 56:10-1], SOUTH DAKOTA [Codified Laws Section 37-5A-51], VIRGINIA [Code 13.1-557-574-13.1-564], WASHINGTON [Code Section 19.100.180], WISCONSIN [Stat. Section 135.03]. These and other states may have other statutes and/or court decisions which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.]

ITEM 18

PUBLIC FIGURES

We do not use any public figures to promote our franchise.

ITEM 19

EARNINGS CLAIMS

NEITHER EVERYTHING YOGURT BRANDS, LLC NOR ANY OF ITS AFFILIATES, FURNISH OR AUTHORIZE ITS SALESPERSONS OR ANY OTHER AGENTS TO FURNISH ANY ORAL OR WRITTEN INFORMATION CONCERNING THE ACTUAL OR POTENTIAL SALES, COSTS, INCOME OR PROFITS OF AN EVERYTHING YOGURT BRANDS, LLC BANANAS SMOOTHIES & FROZEN YOGURT FRANCHISE. ACTUAL

RESULTS VARY FROM UNIT TO UNIT AND WE CANNOT ESTIMATE THE EARNINGS OF ANY PARTICULAR FRANCHISE.

ITEM 20
LIST OF OUTLETS

FRANCHISED BANANAS SMOOTHIES & FROZEN YOGURT RESTAURANTS
STATUS SUMMARY FOR FISCAL YEARS 2005/2004/2003

State	Transfers	Cancelled or Terminated	Not Renewed	Reacquired by Franchisor	Otherwise left System	Total from Left Columns	Franchises Operating at Year End
California	0/0/0	0/0/2	0/0/0	0/0/0	1/0/0	1/0/2	2/4/4
Connecticut	0/0/2	2/0/0	0/0/0	0/0/0	1/0/0	3/0/2	7/10/10
District of Columbia	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	9/9/9
Florida	0/0/0	0/0/1	0/0/0	0/0/0	0/0/0	0/0/1	0/0/0
Maryland	0/2/0	0/0/0	0/0/0	0/0/0	0/0/0	0/2/0	7/6/6
Massachusetts	0/0/0	0/2/0	0/0/0	0/0/0	0/0/0	0/2/0	1/1/3
Michigan	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
Nevada	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
New Jersey	2/0/6	2/5/2	0/0/0	0/2/0	1/0/0	5/7/8	15/19/26
New York	0/3/2	2/5/2	0/0/0	0/0/0	0/2/0	2/10/4	15/19/26
North Carolina	0/0/0	0/0/2	0/0/0	0/0/0	0/0/0	0/0/2	0/0/0
Pennsylvania	0/3/0	0/3/2	0/0/0	0/0/0	0/1/0	0/7/2	3/3/7
Texas	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
Virginia	0/0/2	0/0/2	0/0/0	0/0/0	0/0/0	0/0/4	4/4/4
International	0/0/0	0/0/1	0/0/0	0/0/0	0/0/0	0/0/1	0/0/0
Totals	2/8/12	6/15/14	0/0/0	0/2/0	3/3/0	11/28/26	63/75/95

STATUS OF COMPANY-OWNED STORES
FISCAL YEARS 2005/2004/2003

STATE	STORES CLOSED DURING YEAR	STORES OPENED DURING YEAR *	TOTAL STORES OPERATING AT YEAR END
New York	0/0/0	1/1/1	1/1/1
New Jersey	0/0/0	0/2/0	0/2/0

Note: *On August 14, 2003, we acquired the Staten Island Mall store owned by Everything Yogurt Brands, Inc. Prior to August 14, 2003 we owned no company stores. As of the date of this offering circular, the following are company stores:

Staten Island Mall
2655 Richmond Avenue
Staten Island, NY 10314
(973) 285-4800

Newark Liberty International Airport
Terminal C, Food Court
Newark, NJ 07114
(973) 285-4800

Newark Liberty International Airport
Terminal C, Space 85
Newark, NJ 07114
(973) 285-4800

Brandon Town Center
513 Brandon Town Center Mall
Brandon, FL 33511
(973) 285-4800

Projected Openings for 2006

State	Franchise Agreement Signed but not open	Projected New Franchises in the Next Fiscal Year	Projected Company Owned Outlets to be Established
California	0	0	0
Connecticut	0	0	0
Maryland	0	1	0
New Jersey	0	2	1
New York	0	1	1
Pennsylvania	0	1	1
Virginia	0	0	0
TOTALS	0	5	3

A list of Franchisees is attached as Exhibit E.

The name and last known home address and telephone number of every franchisee who has been terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of our application date and the Systems(s) under which they operate are as follows:

Mike Jain
Everything Yogurt & Salad Café (Transfer)
Crystal Mall
850 Hartford Turnpike
Waterford, CT 06385
860-447-3421

Young Choe
Everything Yogurt & Salad Café
Roosevelt Field Mall
Food Court
Garden City, NY 11530
516-746-8735

Mike Jain
Bananas Smoothies & Frozen Yogurt
Crystal Mall
850 Hartford Turnpike
Waterford, CT 06385
860-447-3421

Young Choe
Bananas Smoothies & Frozen Yogurt
Roosevelt Field Mall
Food Court
Garden City, NY 11530
516-746-8735

Mr. Mike Jain
Everything Yogurt
Shoppes at Buckland Hills
194 Buckland Hills Drive
Manchester, CT 06040
860-648-1959

Mr. Saghir Ahmed
Everything Yogurt / Bananas Smoothies & Frozen Yogurt
Capital Center
50 East State Street, Space #8
Trenton, NJ 08608
609-396-3809

Mr. Anthony Romano
Everything Yogurt & Salad Café
Galleria Mall
100 Main Street, Space #238
White Plains, NY 10601
914-949-4099

Mr. Mike Han
Everything Yogurt & Salad Café / Bananas Smoothies & Frozen Yogurt
Rockaway Townsquare Mall
Rt. 80 & Mount Hope Avenue
Space #2101
Rockaway, NJ 07866
973-328-0617

ITEM 21 **FINANCIAL STATEMENTS**

Everything Yogurt Brands, LLC was formed in 2003. Unaudited financial statements for the period ended September 30, 2006, audited financial statements for the period ending December 31, 2005, 2004 and 2003 are attached as Exhibit H to this offering circular.

ITEM 22 **CONTRACTS**

The following contracts are attached to this offering circular in the following order:

- Exhibit A Franchise Agreement with Exhibits
- Exhibit A Licensed Marks
 - Exhibit B Conditional Assignment of Lease
 - Exhibit C Confidentiality and Non-Competition Agreement
 - Exhibit D Owner's Personal Guaranty of Franchisee's Obligations
 - Exhibit E Sublease Agreement
 - Exhibit F Assignment and Assumption Agreement and Franchisor Consent
 - Exhibit G Deposit Agreement
 - Exhibit H SBA Amendment to Franchise Agreement
 - Exhibit I State Required Amendment to Franchise Agreement