EXHIBIT D

FINANCIAL STATEMENTS

Financial statements of:

HUHOT MONGOLIAN
GRILLS, LLC

Years ended
December 31, 2005 and 2004

SCHECHTER
DOKKEN
KANTER
CERTIFIED PUBLIC ACCOUNTANTS • ADVISORS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
HuHot Mongolian Grills, LLC
Missoula, Montana

We have audited the balance sheets of HuHot Mongolian Grills, LLC as of December 31, 2005 and 2004, and the related statements of operations and members' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of HuHot Mongolian Grills, LLC as of December 31, 2005 and 2004, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

March 28, 2006
Minneapolis, MN

HUHOT MONGOLIAN GRILLS, LLC

BALANCE SHEETS
DECEMBER 31

	2005	2004
Assets:		
Current assets:		
Cash	$ 39,753	$ 33,809
Accounts receivable, trade, net of allowance for doubtful accounts of $10,374 in both years	44,722	51,117
Due from related parties	12,146	855
Marketing fund advance	1,175	14,323
Prepaid expenses	26,578	11,340
Advances to officers	95,223	
Total current assets	219,597	111,444
Property and equipment	54,405	24,822
Less accumulated depreciation	11,471	4,961
	42,934	19,861
	$ 262,531	$ 131,305
Liabilities and members' equity:		
Current liabilities:		
Accounts payable	$ 23,657	$ 10,601
Due to related parties	2,368	18,492
Accrued expenses	645	
Deferred revenue	171,174	26,102
Current portion of note payable	4,259	
Total current liabilities	202,103	55,195
Note payable, net of current portion	14,951	
Members' equity:		
Contributed capital	1,000	1,000
Members' equity	44,477	75,110
	45,477	76,110
	$ 262,531	$ 131,305

See notes to financial statements.

HUHOT MONGOLIAN GRILLS, LLC

STATEMENTS OF OPERATIONS
AND MEMBERS' EQUITY
YEARS ENDED DECEMBER 31

	2005	2004
Revenues:		
Initial franchise fees	$ 60,000	$ 55,000
Franchise royalty fees	382,696	262,324
Total revenues	442,696	317,324
Operating expenses:		
Franchised restaurant costs	34,374	23,237
Selling, general and administrative	303,600	122,188
Total operating expenses	337,974	145,425
Net income	104,722	171,899
Members' equity, beginning	75,110	7,211
Less distributions	(135,355)	(104,000)
Members' equity, ending	$ 44,477	$ 75,110

See notes to financial statements.

HUHOT MONGOLIAN GRILLS, LLC

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31

	2005	2004
Cash flows from operating activities:		
Net income	$ 104,722	$ 171,899
Adjustment to reconcile net income to net cash provided by operating activities:		
Depreciation	6,510	4,800
Allowance for doubtful accounts		10,374
Loss on disposal of property and equipment		1,560
Change in operating assets and liabilities:		
Accounts receivable, trade	6,395	(41,868)
Prepaid expenses	(15,238)	(11,340)
Due from (to) related parties	(27,415)	36,578
Accounts payable	13,056	5,052
Accrued expenses	645	
Net change in marketing fund advance	13,148	(16,869)
Deferred revenue	145,072	(39,127)
Net cash provided by operating activities	246,895	121,059
Cash flows used in investing activities, purchase of property and equipment	(7,663)	(23,790)
Cash flows from financing activities:		
Payments on note payable	(2,710)	
Distributions	(135,355)	(104,000)
Advances to officers	(95,223)	
Net cash used in financing activities	(233,288)	(104,000)
Net increase (decrease) in cash	5,944	(6,731)
Cash, beginning of year	33,809	40,540
Cash, end of year	$ 39,753	$ 33,809
Non-cash financing and investing activity:		
Acquisition of property in exchange for note payable	$ 21,920	

See notes to financial statements.

1. Nature of business and summary of significant accounting policies:

Nature of business:
HuHot Mongolian Grills, LLC (the "Company") is a Montana limited liability company formed on August 30, 2001 to be a franchisor of Mongolian grill restaurants offering Asian-style cuisine cooked on a grill, using fresh meats, poultry, fish, seafood, vegetables, and home-made sauces individually selected by the customer. As a limited liability company, members generally are not liable for the debts and obligations of the Company.

Accounts receivable:
Accounts receivable consist of amounts due for initial franchise fees and franchise royalty fees. Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debts based on its assessment of the current status of individual account balances that are still outstanding. After management has used exhaustive collection efforts, accounts receivable are written-off through a charge to the allowance for doubtful accounts. Collections on accounts previously written-off are included in income as received.

Advances to officers:
Advances to officers are due on demand.

Property and equipment and depreciation methods:
Property and equipment are stated at cost and consist of equipment and automobiles. Depreciation is being provided over the estimated useful lives of the related assets using the straight-line method over five years.

Deferred franchise fees:
Deferred franchise fees consists of advance payments on future initial franchise and franchise royalty fees in accordance with the franchise agreement.

Revenues:
The Company grants franchises to operators who in turn pay initial franchise fees and continuing franchise royalty fees.

The initial franchise fee is based on a set fee in the franchise agreement and is recorded as income when services required by the franchise agreement have been fulfilled. Typical required services are assisting in the opening of the franchised restaurant and training of initial franchisee employees. Initial franchise fees also include area development fees whereby rights are sold to develop, within a specific time limit, a minimum number of franchised restaurants within a specified territory.

The continuing franchise royalty fee is based on a percent of gross revenues of the franchisee specified in the franchise agreement and is recognized as income when earned.

Marketing fund:
A marketing fee is collected under an agency relationship and is based on a percent of gross revenues of the franchisee specified in the franchise agreement. Net unspent marketing funds collected are recorded as a marketing fund liability. When the Company pays for marketing and advertising costs incurred that are greater than marketing fees collected, the net amount is recorded as a marketing fund advance.

Use of estimates:
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities at the date of the financial statements.

Income taxes:
The Company is a limited liability company and is taxed as a Partnership under the Internal Revenue Code and similar state statutes. Accordingly, any taxes owed on the net income of the Company are the responsibility of the members. Therefore, no provision or liability for Federal or State income taxes related to the Company is included in these financial statements.

1. Nature of business and summary of significant accounting policies (continued):

Concentrations:

At December 31, 2005, the Company had a major customer that owned eleven of the twenty franchises and accounted for approximately 63% and 54% of the Company's franchise royalty fees and accounts receivable, respectively.

At December 31, 2004, the Company had a major customer that owned seven of the eleven franchises and accounted for approximately 58% and 54% of the Company's franchise royalty fees and accounts receivable, respectively.

Reclassifications:

Certain reclassifications have been made to the 2004 financial statements to conform to the 2005 presentation.

2. Related parties:

There are various related party entities with which the Company has transactions. These related parties consist of entities with some common ownership and family members of the Company. Transactions consist of purchased services for franchise and selling, general administrative costs and rent for Company offices (see Note 7). Additionally, there are two franchised restaurants owned by a related company. Amounts due from or to related parties at December 31, 2005 and 2004 are generally the result of such transactions.

Amounts included in the statement of operations are as follows:

	2005	2004
Revenues:		
Franchise royalty fees		$ 22,600
Operating Expenses:		
Services	$ 122,095	22,800
Rent and shared occupancy costs	37,572	15,200

3. Marketing fund:

At December 31, 2005 and 2004, the marketing fund advance represents an advance given to the marketing fund by the Company to pay for advertising and marketing costs incurred that were greater than the advertising and marketing fees collected from franchisees and certain related parties.

The related party owns and operates a Mongolian Grill restaurant which is the prototype for the HuHot restaurant concept. This restaurant is not intended to become a franchisee of the Company. However, the restaurant participates in the marketing fund established to enhance recognition of the service mark "HuHot Mongolian Grill" and patronage of HuHot restaurants. The restaurant contributes to the marketing fund on the same basis as franchisees. This restaurant and two related party franchises contributed $13,084 and $13,454 to the marketing fund for the years ended December 31, 2005 and 2004, respectively.

4. Franchised locations:

Franchised locations information are summarized as follows:

	Total franchised locations	Number of locations in operation
Balance, January 1, 2004(b)	8	6
Franchises sold (c)	3	
Balance, December 31, 2004 (b)	11	9
Franchises sold (a)	9	
Balance, December 31, 2005 (b)	20	14

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4. Franchised locations (continued):

(a) Includes six locations sold but not operational at December 31, 2005.
(b) Includes two related party locations.
(c) Includes two locations sold but not operational at December 31, 2004.

5. Line of credit:

The Company entered into a line of credit agreement on July 26, 2005 with a bank that bears interest at Prime (7.25% at December 31, 2005) plus 1.0%. The note is secured by accounts receivable and equipment. The line of credit has a maximum borrowing limit of $50,000 and expires on July 26, 2006. At December 31, 2005 there were no advances outstanding under this agreement.

6. Note payable:

During 2005 the Company entered into a note payable for a vehicle purchase with an interest rate of 8.45% and monthly payments of $355 through March 2010.

Future principal payments are as follows:

Year ending December 31,		Amount
2006	$	4,259
2007		4,259
2008		4,259
2009		4,259
2010		2,174
	$	19,210

7. Commitments:

Auto lease:
The Company leases an automobile under an operating lease expiring on October 25, 2008. Total operating lease expense was $940 for the year ended December 31, 2005.

The future minimum rental payments under the operating lease are as follows:

Year		Total
2006	$	5,640
2007		5,640
2008		4,700
	$	15,980

Building lease, related party:
From June 2004 through October 2005, the Company rented office space from a related party under a verbal agreement.

On November 1, 2004, the Company started renting office space from a related party under an operating lease agreement entered into jointly with two other related parties, that expires on November 30, 2010. After initial lease is expired, the lease will automatically renew on a yearly basis. In addition to monthly rent the Company and its co-lessees are obligated to pay insurance, property taxes, maintenance and other related expenses. Under an informal arrangement, the Company pays half of the rent and related costs for this office space.

Total rent expense including related occupancy costs was $37,572 and $15,200 for the years ended December 31, 2005 and 2004, respectively.

The future minimum rental payments under the related party office space lease are as follows:

Year		HuHot's estimated portion		Total
2006	$	12,600	$	25,200
2007		12,600		25,200
2008		12,600		25,200
2009		12,600		25,200
2010		11,550		23,100
	$	61,950	$	123,900

Financial statements of:

HUHOT MONGOLIAN GRILLS, LLC

Years ended
December 31, 2004 and 2003

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INDEPENDENT AUDITORS' REPORT

Board of Directors
HuHot Mongolian Grills, LLC
Missoula, Montana

We have audited the balance sheets of HuHot Mongolian Grills, LLC as of December 31, 2004 and 2003, and the related statements of operations and members' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of HuHot Mongolian Grills, LLC as of December 31, 2004 and 2003, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

April 6, 2005
Minneapolis, MN

HUHOT MONGOLIAN GRILLS, LLC

	2004	2003
Assets:		
Current assets:		
Cash	$ 33,809	$ 40,540
Accounts receivable, trade, net of allowance for doubtful accounts (2004, $10,374)	54,933	23,439
Accounts receivable, trade, related party	1,527	19,613
Marketing fund advance	13,214	
Prepaid expenses	11,340	
Total current assets	114,823	83,592
Property and equipment	24,822	4,051
Less accumulated depreciation	4,961	1,620
	19,861	2,431
	$ 134,684	$ 86,023
Liabilities and members' equity:		
Current liabilities:		
Accounts payable	$ 14,750	$ 9,157
Accounts payable, related party	3,013	
Due to related party	15,479	
Marketing fund		3,655
Deferred:		
Franchise royalty fees	15,332	30,000
Initial franchise fees	10,000	35,000
Total current liabilities	58,574	77,812
Members' equity:		
Contributed capital	1,000	1,000
Members' equity	75,110	7,211
	76,110	8,211
	$ 136,684	$ 86,023

See notes to financial statements.

HUHOT MONGOLIAN GRILLS, LLC

STATEMENTS OF OPERATIONS
AND MEMBERS' EQUITY
YEARS ENDED DECEMBER 31

	2004	2003
Revenues:		
Initial franchise fees	$ 35,000	$ 40,000
Franchise royalty fees	262,324	104,088
Area development fees	20,000	
Total revenues	317,324	144,088
Operating costs and expenses:		
Franchised restaurant costs	23,237	33,054
Selling, general and administrative	122,188	52,232
Total operating expenses	145,425	85,286
Net income	171,899	58,802
Members' equity (accumulated deficit), beginning	7,211	(20,407)
Less distributions	(104,000)	(31,184)
Members' equity, ending	$ 75,110	$ 7,211

See notes to financial statements.

HUHOT MONGOLIAN GRILLS, LLC

	2004	2003
Cash flows from operating activities:		
Net income	$ 171,899	$ 58,802
Adjustment to reconcile net income to net cash provided by operating activities:		
Depreciation	4,800	810
Allowance for doubtful accounts	10,374	
Loss on disposal of property and equipment	1,560	
Increase in:		
Accounts receivable, trade	(41,868)	(11,683)
Prepaid expenses	(11,340)	
Increase (decrease) in:		
Accounts payable	5,593	(8,654)
Accounts payable, related party	3,013	
Net change in marketing fund advance/liability	(16,869)	3,084
Deferred:		
Franchise royalty fees	(14,668)	30,000
Initial franchise fees	(25,000)	35,000
Net cash provided by operating activities	87,494	107,359
Cash flows from investing activities, purchase of property and equipment	(23,790)	
Cash flows from financing activities:		
Advances from (payments to) related parties	33,565	(43,182)
Distributions	(104,000)	(31,184)
Net cash used in financing activities	(70,435)	(74,366)
Net (decrease) increase in cash	(6,731)	32,993
Cash, beginning of year	40,540	7,547
Cash, end of year	$ 33,809	$ 40,540

See notes to financial statements.

1. Nature of business and summary of significant accounting policies:

Nature of business:

HuHot Mongolian Grills, LLC (the "Company") is a Montana limited liability company formed on August 30, 2001 to be a franchisor of Mongolian grill restaurants offering Asian-style cuisine cooked on a grill, using fresh meats, poultry, fish, seafood, vegetables, and home-made sauces individually selected by the customer. As a limited liability company, members generally are not liable for the debts and obligations of the Company.

Accounts receivable:

Accounts receivable consist of amounts due for initial franchise fees, franchise royalty fees, marketing fees and reimbursables for franchise operating supplies. Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debts based on its assessment of the current status of individual account balances that are still outstanding. After management has used exhaustive collection efforts, accounts receivable are written-off through a charge to the allowance for doubtful accounts. Collections on accounts previously written-off are included in income as received.

Property and equipment and depreciation methods:

Property and equipment are stated at cost. Depreciation is being provided over the estimated useful lives of the related assets using accelerated methods for both financial reporting purposes and tax purposes.

Deferred franchise fees consists of advance payments on future initial franchise and franchise royalty fees in accordance with the franchise agreement.

Revenues:

The Company grants franchises to operators who in turn pay initial franchise fees, continuing franchise royalty fees and marketing fees.

The initial franchise fee is based on a set fee in the franchise agreement and is recorded as income when services required by the franchise agreement have been fulfilled. Typical required services are assisting in the opening of the franchised restaurant and training of initial franchisee employees.

The continuing franchise royalty fee is based on a percent of gross revenues of the franchisee specified in the franchise agreement and is recognized as income when earned.

The area development fee is a set fee from an area development agreement whereby rights are purchased to develop, within a specific time limit, a minimum number of franchised restaurants within a specified territory.

The marketing fee is collected under an agency relationship and is based on a percent of gross revenues of the franchisee specified in the franchise agreement. Net unspent marketing funds collected are recorded as a marketing fund liability. When the Company pays for marketing and advertising costs incurred that are greater than marketing fees collected, the net amount is recorded as a marketing fund advance.

Deferred franchise fees:

1. Nature of business and summary of significant accounting policies (continued):

Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities at the date of the financial statements.

Income taxes:

The Company is a limited liability company and is taxed as a Partnership under the Internal Revenue Code and similar state statutes. Accordingly, any taxes owed on the net income of the Company are the responsibility of the members. Therefore, no provision or liability for Federal or State income taxes related to the Company is included in these financial statements.

2. Related parties:

Related party receivable:

In 2004, related party receivable consists of franchise royalty fees from a company owned by the members of the Company and their families. In 2004, the Company recorded franchise royalty fees from related party franchised restaurants of approximately $22,600.

In 2003, related party receivable consists of reimbursables for franchise operating supplies, initial franchise fees and franchise royalty fees from a company owned by the members of the Company and their families. In 2003, the Company recorded total initial franchise fees of $30,000 and franchise royalty fees from related party franchised restaurants of approximately $10,500 for a total of $40,500.

Related party accounts payable:

In 2004, related party accounts payable consist of expense reimbursements to a family member of the owners of the Company.

Related party services:

In 2004 and 2003, the Company paid approximately $22,800 and $29,000, respectively, to a related party and to family members for services.

Related party rent:

In June 2004, the Company started renting office space from a related party under a verbal agreement. Rent and related expenses were approximately $15,200 for the year ended December 31, 2004.

Due to related party:

In 2004, the Company owed a related company for restaurant support and accounting and administrative services.

3. Marketing fund:

At December 31, 2004, the marketing fund advance represents an advance given to the marketing fund by the Company to pay for advertising and marketing costs incurred that were greater than the advertising and marketing fees collected from franchisees and certain related parties.

At December 31, 2003, the marketing fund liability represents advertising and marketing fees collected under an agency relationship, but not spent at December 31, 2003 from franchisees and certain related parties to fund advertising programs and promotional campaigns.

3. Marketing fund (continued):

The related party owns and operates a Mongolian Grill restaurant which is the prototype for the HuHot restaurant concept. This restaurant is not intended to become a franchisee of the Company. However, the restaurant participates in the marketing fund established to enhance recognition of the service mark "HuHot Mongolian Grill" and patronage of HuHot restaurants. The restaurant contributes to the marketing fund on the same basis as franchisees. This restaurant and two related party franchises contributed $13,454 and $11,712 to the marketing fund for the years ended December 31, 2004 and 2003, respectively.

4. Franchised locations:

Franchised locations information are summarized as follows:

	Total franchised locations	Number of locations in operation
Balance, January 1, 2003	2	
Franchises sold (a)	7	
Ceased operations	(1)	
Balance, December 31, 2003 (b)	8	6
Franchises sold (a)	3	
Balance, December 31, 2004 (b)	11	9

(a) Includes two locations sold but not operational at December 31, 2004 and 2003.
(b) Includes two related party locations.

On January 21, 2005, a new franchise location was sold.