

ITEM 1
THE FRANCHISOR ITS PREDECESSORS AND AFFILIATES

Franchisor

New York NY Fresh Deli Franchise Inc. (referred to in this Offering Circular as “we”, “us” or “our” and where the context requires also includes our Parent, and our affiliates) was incorporated in the State of Delaware on March 13, 2006. Our principal business address is 100 West Hoover Avenue, Suite 12-14, Mesa, Arizona 85210. Our telephone number is (480) 632-9884, and we do business under our corporate name and the Marks as described below. In this Offering Circular, We refer to the person or entity that will be signing the Franchise Agreement (defined below) as “you” or “your”. Our agents for service of process are listed in **Exhibit A**.

We acquired certain assets of New York New York Franchising, Inc., (“NYNYFI”) a Colorado corporation on March 14, 2006. As part of that acquisition, we executed an Assignment and Assumption Agreement for the Franchise Agreements and the Area Development Agent Agreements listed on **Exhibit C** attached to this Offering Circular and assumed the obligations and acquired the rights of NYNYFI. NYNYFI, was incorporated on May 7, 2001 as New York Subs Franchising Corporation and changed its name to New York New York Franchising, Inc. in January, 2004.

NYNYFI offered franchises under the trade name New York Subs Fresh Deli for the right to establish and operate from a single location a limited cooking New York Subs Fresh Deli Restaurant. In January, 2004 NYNYFI changed its operating brand name to New York NY Fresh Deli. We offer franchises for the right to establish and operate New York NY Fresh Deli Restaurants (a “Restaurant or the “Restaurants”), using our proprietary trade names, service marks and trademarks (the “Marks”). You will have limited on-site cooking, as the bulk of the foods and meats served at the Restaurant are delivered to the Restaurant through normal commercial food distribution companies. Some other items, including greens and other condiments, are also pre-prepared and packaged by suppliers for use in our Restaurants. You must operate your Restaurant in accordance with our standards and procedures, including those contained in our Restaurant Operations Manual, which may be updated during the term of your Franchise Agreement.

We use the brand name New York NY Fresh Deli because we feel our expanded menu sets us apart from other fast food sandwich chains. We are a quick casual restaurant concept with an enhanced and upscale store environment. We offer hot New York Style sub sandwiches and gourmet hot and cold sandwiches, salads and other upscale items.

We provide training programs at our corporate headquarters in Mesa, Arizona and provide in-store training at operating Restaurants in Arizona. Our primary business is the sale of the franchises outlined in this Offering Circular.

Our Affiliates and Predecessors

We are a wholly owned subsidiary of Restaurants Holdings, Inc., a Texas corporation formerly known as Passport Restaurants, Inc. (“RHI”). RHI’s principal place of business is 5950 Hazeltine National Drive, Suite 290 Orlando Florida, 92822. RHI does business under its corporate name. RHI does not provide any goods or services to us or our franchisees

Until July 25, 2002 NYNYFI was a wholly owned subsidiary of Uptown Restaurant Group, Inc. (Predecessor) when a controlling interest in the Predecessor was sold to Ultimate Franchise Systems, Inc. (UFSI). After the acquisition of Uptown Restaurant Group, Inc. and its subsidiaries by UFSI Robert Palmer acquired all of the outstanding stock of NYNYFI. There is no affiliation between us and Uptown Restaurant Group, Inc. or any of its subsidiaries.

Franchise Equipment Supply, LLC ("FES Colorado") was organized in Colorado on March 3, 2003 to sell Restaurant equipment, furniture, small wares and Point of Sales Systems to NYNYFI franchisees. On March 14, 2006, we acquired certain of the assets of FES Colorado and have transferred those assets to Franchise Equipment Sales Inc, a Delaware corporation ("FES Inc.") which was incorporated on March 21, 2006 and is wholly owned by RHI. FES Inc. has its principal place of business at 804 Pier View Way, Suite 208, Oceanside, California 92054, and may sell restaurant equipment, furniture, small wares and point of sales systems to you and our other franchisees.

Description of the Franchise

Our Restaurants are located primarily in shopping centers, regional and super-regional shopping malls or are free standing locations We may consider alternative sites such as medical centers, airports, university campuses or other captive market spaces on a case-by-case basis. Each Restaurant will offer a menu of specialty fresh-made deli-style gourmet sandwiches, hot New York Style sub sandwiches, specialty salads, pastries, specialty coffees and other beverage items and complementary products, prepared in accordance with our proprietary recipes and ingredients. A typical Restaurant will vary in size from 1,200 to 2,000 square feet. If you choose, and a larger Restaurant is developed (over 2,000 square feet), the development costs will be higher.

The Restaurants are established and operated under a comprehensive and unique system (the "System"). The System includes distinctive signage, interior and exterior design, decor and color scheme; special recipes and menu items, including proprietary products and ingredients; uniform standards, specifications, and procedures for operations; quality and uniformity of products and services offered; inventory, management and financial control procedures (including point of purchase and tracking systems); training and assistance; and advertising and promotional programs, all of which We may change, improve, and further develop, in our discretion. Certain aspects of the System are more fully described in this Offering Circular and the Manuals that are provided to you as our franchisee (described in Item 11).

You must compete with other full-service and carry-out Restaurants and other outlets specializing in sandwiches, salads, coffee and other foods, some of which are national or regional chains or which may be more established. You will, to some extent, also have to compete with Restaurants and food outlets offering other types of food products, however, we believe that customers will patronize the Restaurants due to its unique concept and the consumers' general knowledge of the type of foods served.

Industry-Specific Regulations

There are no regulations specific to the operation of a Restaurant, although you must comply with all local, state and federal health and sanitation laws that apply to Restaurant operations in general. You must also comply with all local, state and federal laws of a more general nature which affect the Restaurant, including employment, workers' compensation, insurance, corporate, tax, licensing and similar laws and regulations.

Development Agents

We engage the services of Development Agents in certain areas of the United States whose duties include franchise sales, site location assistance, in-store training and operational assistance to franchisees under our Area Development Agent Agreement attached to this Offering Circular as **Exhibit F** (the "Development Agreement."). We usually recruit Development Agents from existing franchise owners. We pay Development Agents a portion of the amounts we collect from our franchises as payment for their services.

Regulations for Development Agents

Development Agents should examine the federal and various states' laws for the sale of franchises. The Federal Trade Commission and various states regulate the sale of franchises and the relationship between franchisors (and franchisees). You must comply with these regulations before and when you solicit our franchisees.

Franchising Experience

We did not offer franchises for sale before the date of this Offering Circular and do not conduct any other business activities.

ITEM 2 BUSINESS EXPERIENCE

Chairman of the Board; Chief Executive Officer:

John M. Creed

Mr. Creed has been our Chairman of the Board and our Chief Executive Officer since March 13, 2006. Mr. Creed became the Chairman of the Board of Directors of Pacific Ocean Restaurants, Inc. in Oceanside, California in January 1997 and continues to serve in that capacity as of the date of this Offering Circular. Mr. Creed has been since February 2005, and currently serves as the Chairman of the Board of Playa Grill Franchise Corporation, a franchisor of Playa Grill Restaurants, in Oceanside, California. In addition, Mr. Creed has been since December 2005, and currently serves as a director and as President of Steve's Pizza Franchise Corporation, a franchisor of Steve's Pizza Restaurants, in Oceanside, California. Mr. Creed also served as the Chief Executive Officer of Una Mas Restaurants, Inc. and Una Mas Franchise Corporation in Sunnyvale, California, from May 2002 until June 2003.

Director, Treasurer:

Steven D. Carbone

Mr. Carbone has been one of our Directors and our Treasurer since March 13, 2006. Mr. Carbone has been since February 2005, and currently serves as a Director and the President of Playa Grill Franchise Corporation, a franchisor of Playa Grill Restaurants, in Oceanside, California. In addition, Mr. Carbone has been since December 2005, and currently serves as the Chief Financial Officer of Steve's Pizza Franchise Corporation, a franchisor of Steve's Pizza Restaurants, in Oceanside, California. Mr. Carbone became the Chief Financial Officer of Pacific Ocean Restaurants, Inc. in Oceanside, California in October 1998 and continues to serve in that capacity as of the date of this Offering Circular. Mr. Carbone also served as the Chief Financial Officer of Una Mas Franchise Corporation in Sunnyvale, California, from July 2002 until February 2003.

Director, Vice President:

Christopher R. Thomas

Mr. Thomas has been one of our Directors and our Vice President since March 13, 2006. Mr. Thomas has been since February 2005, and currently serves as a Director and the Chief Executive Officer of Playa Grill Franchise Corporation, a franchisor of Playa Grill Restaurants, in Oceanside, California. In addition, Mr. Thomas has been since December 2005, and currently serves as a director and as Vice President of Steve's Pizza Franchise Corporation, a franchisor of Steve's Pizza Restaurants, in Oceanside, California. During the period April 1984 through July 1999, Mr. Thomas served in a number of executive positions with Sizzler International, Inc. in Culver City, California, including as the President and Chief Executive Officer of Sizzler USA, Inc. During the period May 2000 through September 2001, Mr. Thomas served as the President of Planet Hollywood International, Inc. in Orlando, Florida. Mr. Thomas became the Chief Executive Officer of Pacific Ocean Restaurants, Inc. in Oceanside, California in October 2001 and continues to serve in that capacity as of the date of this Offering Circular. Mr. Thomas was the President of Una Mas Restaurants, Inc. and Una Mas

Franchise Corporation in Sunnyvale, California, from May 2002 until April 2003. Mr. Thomas has also served as the President and Chief Executive Officer of RHI in Orlando, Florida since May 2003.

Clyde E. Culp, III

Director

Mr. Culp has been a member of our Board of Directors since March [] 2006. Mr. Culp served as President and Chief Executive Officer of Long John Silvers, a chain of 1,500 owned and franchised fast-serve seafood restaurants from 1993 to 1996. Currently through his company, Culp Enterprises, LLC, Mr. Culp is involved in a number of businesses. He worked as an advisor to the Shoney's and Captain D's restaurant chains from 2001 to 2004, when he became Chairman of Captain D's until it was sold in December 2004. Since 2004, Culp has been a Director of Annapolis Bancorp, a publicly-traded bank. Additionally, he sits on the Boards and has financial interests in several privately-held companies, including Caribbean Restaurant Concepts, where he also serves as Chairman. He is also a director of Restaurant Holdings, Inc.

Robert D. Palmer, Jr.

Chief Operating Officer

Mr. Palmer was appointed as our Chief Operating Officer on March 13, 2006. Mr. Palmer was previously Chief Executive Officer, President, Treasurer and Director of NYNYFI since its inception in 2001 until March 13, 2006. Mr. Palmer is also Managing Member of Franchise Equipment Supply, LLC. Mr. Palmer, until July 25, 2002, was also the President/Chief Executive Officer and a Director of Uptown Restaurant Group, Inc. (since September 1999), as well as NYB Foods, Inc. (since June 1995), 1 Potato 2 Franchising Corp. (since November 1999), and Fasta Pasta Franchising Corporation (since December 2000). Mr. Palmer no longer holds any of these positions.

Gary V. Palmer

Executive Vice President – Franchising

Mr. Palmer was appointed as our Executive Vice President – Franchising on March 13, 2006. Mr. Palmer was previously with NYNYFI since February of 1999. He originally was an Operations and Training Assistant. In January of 2005 he was made a Vice President NYNYFI and was responsible for the Operations and Training Department. From October 1992 until February 2000, Mr. Palmer was employed at America West Airlines. His last position was as a flight operations load planner and his last assignment was at the Chief Pilots Office at Phoenix Sky Harbor.

Paul W. Correale

Vice President - Franchise Marketing

Mr. Correale was appointed as our Vice President– Franchise Marketing on March 13, 2006. Mr. Palmer was previously with NYNYFI from July 25, 2005. From August 2002 until joining NYNYFI, Mr. Correale was Director of Development for Mid America Roly Poly where he was responsible for all franchisee recruitment. From January 2000 until August 2002 he was with Hoffman/Lewis & The Interger Group where he was an account Executive responsible for the development and implementation of a multi-million advertising and marketing plan for 350 McDonald's Hamburger Restaurants in the St Louis, MO region. He is also a graduate of the McDonald's Hamburger Marketing University training program. From October 1988 to January 2000 Mr. Correale was employed by the Boeing Company as a Senior Sales Analyst in International Marketing/Foreign Military Sales representative to support the sales of Boeing Missile Systems worldwide.

Development Agents

We engage the services of Development Agents in certain areas of the United States whose duties include franchise sales, site location assistance, in-store training and operational assistance to franchisees. We usually recruit Development Agents from existing franchise owners. A current list of our Development Agents, with the states in which they operate, their business experience and their litigation histories (if any) is attached to this Offering Circular as **Exhibit C**.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Offering Circular.

ITEM 4
BANKRUPTCY

On October 12, 2001, Lyon's of California, Inc. filed a petition to reorganize under Chapter 11 of the U. S. Bankruptcy Code (In Re Lyon's of California, Inc., U. S. Bankruptcy Court for the Southern District of California, Case No. 01-10624-IM). Pacific Management Services, Inc., a wholly-owned subsidiary of Pacific Ocean Restaurants, Inc. was appointed by the Bankruptcy Trustee to manage the operations of Lyon's of California, Inc. as debtor-in-possession. From October 2001 until April 2004, John M. Creed and Christopher R. Thomas provided their personal services on behalf of Pacific Management Services, Inc. to manage the operations of Lyon's of California, Inc. On July 10, 2003, Una Mas Restaurants, Inc. filed a petition to reorganize under Chapter 11 of the U. S. Bankruptcy Code (In Re Una Mas Restaurants, Inc., U. S. Bankruptcy Court for the Northern District of California, Case No. 03-54439-MM). John M. Creed, Chairman of the Board of PGFC, served as Chief Executive Officer of Una Mas Restaurants, Inc. until June 30, 2003. Christopher R. Thomas, the Chief Executive Officer of PGFC, served as the President of Una Mas Restaurants, Inc. and Una Mas Franchise Corporation in Sunnyvale, California from May 2002 until April 2003. Steven D. Carbone, Secretary of PGFC, served as Chief Financial Officer of Una Mas Restaurants, Inc. until February, 2003.

On June 2, 1996, June 5, 1996, June 5, 1996, and August 1, 1996, Sizzler International, Inc. filed a series of 4 petitions to reorganize under Chapter 11 of the U. S. Bankruptcy Code (In Re Sizzler International, Inc., U. S. Bankruptcy Court for the Central District of California, Case Nos. SV96-16075-AG, SV96-16076-AG, SV96-17576-AG and SV96-18735-AG, respectively.) Christopher R. Thomas, a Director and the Chief Executive Officer of PGFC, served as an Executive Vice President of Sizzler International, Inc. on the date these petitions were filed. On October 19, 2001, the Planet Hollywood organization filed a series of 7 petitions to reorganize under Chapter 11 of the U. S. Bankruptcy Code (In Re Planet Hollywood, U. S. Bankruptcy Court for the Middle District of Florida, Case Nos. 01-10429, 01-10430, 01-10435, 01-10436, 01-10439, 01-10440 and 01-10441.) Planet Hollywood filed these petitions within one year after Mr. Thomas served as the President of Planet Hollywood International, Inc.

ITEM 5
INITIAL FRANCHISE FEE

Franchise Agreement

Initial Franchise Fee: You must pay us an initial franchise fee of \$17,500 for the right to establish a single Restaurant under a Franchise Agreement. Initial franchisee fees are not refundable.

Reduced Franchise Fees: The fee for additional franchises may be reduced to \$15,000 for franchise owners operating franchised Restaurants who are in substantial compliance with their existing Franchise Agreements and the Operations Manual. This reduced fee for additional franchises, after payment of the initial franchise fee, may also be offered to new franchisees, on a case-by-case basis, who demonstrate, by their past business experiences, that they are capable of developing multiple New York Subs Fresh Deli Restaurants. The fee will be due upon the signing of the Franchise Agreements and is considered earned when paid and is non-refundable in any event.

Extension Fee. Under the terms of the Franchise Agreement you must develop and open your New York NY Fresh Deli Restaurant within 1 year after you buy your franchise or the Franchise Agreement will automatically terminate unless we grant an extension in response to a written request you make. You must request in writing a 1 year development extension 60 days before the initial 1 year period ends. Your Franchise Agreement will be extended upon payment of the extension fee, but will automatically terminate at the end of the 1 year extension period if you still have not developed and opened your Restaurant. The option to extend, when granted, requires a payment of \$2,500. The fee will be due upon the approval of the extension and is considered earned when paid and is non-refundable in any event.

All franchise fees are payable in full when you sign the Franchise Agreement, are non-refundable and are considered fully earned when paid.

Development Agreement

The amount of the Area Fee for a Development Agent will be based primarily upon the population of the Area described in the Development Agreement and must be paid when you sign the Development Agreement. All Development Agents do not pay the same Area Fee. The Area Fee for an Area with up to 1,500,000 of population is \$49,500. If the population in the Area exceeds 1,500,000, the Area Fee will be \$49,500 plus .025 cents per person over 1,500,000.

**ITEM 6
OTHER FEES**

Franchise Agreement

Name (1)	Amount	Due Date	Remarks
Royalty (2)	6% of Gross Sales	Weekly on Wednesday	Amounts due will be withdrawn by EFT from your designated bank account.
Advertising Fund (3)	1% of Gross Sales	Weekly on Wednesday	You must contribute when we establish the Advertising Fund
Local Advertising	2% of Gross Sales	Must be spent annually	Payable to vendors or to an approved Advertising Co-Op.
Grand Opening Advertising (4-b)	\$2,500	Before opening	This amount must be deposited with us no later than 90 days before the opening of your Restaurant.
Advertising Cooperative	As determined by Cooperative	As determined by Cooperative	See Item 11
Extension Fee	\$2,500	At least 60 days before one year period ends	See Item 5
Transfer Fee	\$5,000	Submitted with transfer application	No fee charged to an individual or partnership franchisee that transfers its rights to a corporation controlled by the same interest holders.

Name (1)	Amount	Due Date	Remarks
Audit Fee	Cost of audit and associated legal fees if there is an underpayment of fees due	When billed	Payable only if we find, after an audit, that you have understated any amount you owe to us by 5% or more of Gross Sales.
Interest	Lesser of 18% per annum from the due date or the maximum rate allowed by law	On demand	Payable on all overdue amounts past due to us
Overdue Penalty	\$50 per day	On demand	Due for each day a royalty report is not received or royalty fee is not paid
Renewal Fee	None		To Renew you must give us at least 7 months' notice; remodel to current standards; sign then-current Franchise Agreement.
Inspection and Testing	Cost of inspection or testing	When billed	We may require you to pay us or an independent laboratory for the cost of inspection or testing if your purchase or lease items used in the Restaurant from sources we have not previously approved (see Item 8).
Manual Replacement Fee	\$1,000	When billed	If you request additional or replacement copies of the Manual (see Item 11).
Costs and Attorneys' fees	Will vary under circumstances	On demand	Payable upon your failure to comply with the Franchise Agreement or in the event of a controversy between us and you.
Construction and Site Development Service Fee	\$10,000	Upon Acceptance by Us	Service is optional and is designed to assist you in the overall development of a restaurant location. You are financially responsible for all development costs and draw down funds due during the project.

NOTES:

1. All fees and described in this Item 6 Chart are non-refundable. Except as otherwise indicated in the preceding chart, we impose all fees and expenses listed and you must pay them to us. Except as specifically stated above, the amounts given may be increased based on changes in market conditions, our cost of providing services and future policy changes. At the present time we have no plans to increase payments over which we have control.

For the purposes of determining the royalties to be paid under the Franchise Agreement, "Gross Sales" means the total selling price of all services and products and all income of every other kind and nature related to the Restaurant (including income related to catering and delivery activities, and any sales or orders of food products or food preparation services provided from or related to the

Restaurant), whether for cash or credit and regardless of collection in the case of credit. If a cash shortage occurs, the amount of Gross Sales will be determined based on the records of the electronic cash register system and any cash shortage will not be considered in the determination. Gross Sales expressly exclude receipts from the operation of any public telephone installed in the Restaurant, except for any amount representing your share of the revenues; sums sales taxes collected directly from customers and any other tax, excise or duty which is levied or assessed against you based on sales of specific merchandise sold at or from the Restaurant, ; returns to shippers or manufacturers; and from isolated sales of trade fixtures.

We may authorize certain other items to be excluded from Gross Sales. Any exclusion may be revoked or withdrawn at any time by us. The royalty fee will be withdrawn from your designated bank account by electronic funds transfer ("EFT") weekly on Wednesday based on Gross Sales from the preceding Accounting Period (see Section 10 of the Franchise Agreement), unless we require otherwise. You must maintain a minimum of \$1,000 in your designated bank account for the Restaurant.

3. We have the right to establish and administer an advertising fund for the System (see Item 11). Once established, we have the right to increase the contributions up to a maximum of 3% of Gross Sales, but we will not increase this fee by more than 1% in any year. We have not established the fund, and do not intend to establish a fund in the next year, or until an adequate number of Restaurants have been established to provide national or regional advertising for the benefit of the System.

4. You must deposit with us, at least 90 days before opening, an initial \$2,500 Grand Opening Advertising funds which we will spend on your behalf to initially promote your Restaurant opening. 100% of the funds will be utilized in the promotional efforts. Additional funds may be spent by you on the initial advertising for your Restaurant as outlined in Item 7 below.

5. We use certain software and systems that permit us to gather transactional information on a daily basis concerning the operation of the Restaurant via electronic polling. We also require you to allow us or our designated supplier to upgrade the proprietary database configuration of the POS register(s) in your Restaurant as we determine necessary (see Items 7 and 11).

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Development Agreement

Name (1)	Amount	Due Date	Remarks
Agent Commission Fee	\$7,500 of each initial franchise fee of \$17,500 we collect from franchisees and \$7,500 of each reduced initial franchise fee of \$15,000 we collect from franchisees	Within 7 – 10 days of our receipt of good funds	We keep the difference between the initial franchise fee paid by the franchisee and the Agent Commission Fee we pay you
Royalty Fee	.4166% of the royalties we collect from franchisees in your Area, which equals 2.5% of Gross Sales of franchisees in your Area	On the 10 th day of each month on royalties collected from franchisees in your Area during the previous month	We keep the difference between the royalties paid by the franchisee and the Royalty Fee we pay you
Transfer Fee	30% of any transfer fees we collect from franchisees in your Area	Within 7 – 10 days of our receipt of good funds	We keep the difference between the transfer fee paid by the franchisee and the Transfer Fee we pay you
Development Agreement Assessments	\$100 per month	Monthly	If you are ahead of your Development Schedule, we will pay you \$100 per month for each operating franchised unit for which you are ahead of the Development Schedule. If you are behind your Development Schedule, we will reduce any monies due to you by \$100 per month for each franchised operating unit for which the you are behind in the Schedule.
Royalty Fee Assessments	50% of the Royalty Fee	Monthly	If an open and operating Restaurant in your Area is not in substantial compliance with our standards in the Franchise Agreement or Operating Manual, your Royalty Fee for that restaurant will be reduced by 50% that Restaurant is in substantial compliance with our standards
Sales Assistance Fee	80% of the Agent Commission Fee	Monthly	If you request us to assist you in recruiting and selling franchisees in your Area, and we agree to do so, we will receive 80% of the Agent Commission Fees for such sales.

Name (1)	Amount	Due Date	Remarks
Additional Materials Fee	\$12 plus postage	Monthly	Due only if you need franchise sales brochures, disclosure documents and related materials in excess of the normal supply we provide you for free

NOTES:

1. All fees and described in this Item 6 Chart are non-refundable. Except as otherwise indicated in the preceding chart, we impose all fees and expenses listed and you must pay them to us.

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**ITEM 7
INITIAL INVESTMENT**

Franchise Agreement

Item	Lower Cost	Mid Cost	Higher Cost	When Due	Refundable	To Whom Paid
Initial Franchise Fee (1)	\$17,500	\$17,500	\$17,500	On Signing of Franchise Agreement	No	Us
Initial Rent (2)	\$3,000	\$5,000	\$10,000	Before Opening	Terms Per Agreement	Landlord
Leasehold Improvements (3)	\$25,000	\$40,000	\$80,000	Before Opening	No	Landlord, Contractors
Major Equipment (4)	\$28,000	\$28,000	\$28,000	Before Opening	No	Vendors, Suppliers
Estimated Freight Expense	\$2,000	\$3,000	\$4,000	Before Opening	No	Vendors, Suppliers
Outside Signage (5)	\$2,500	\$3,500	\$9,000	Before Opening	No	Vendors
Standard Interior Neon Signs and wall Décor (6)	\$3,000	\$4,000	\$6,000	Before Opening	No	Vendors
Dining Area Furniture (7)	\$5,060	\$6,072	\$7,590	Before Opening	No	Vendors
Small Wares (8)	\$5,000	\$5,000	\$5,000	Before Opening	No	FES, Inc or other approved suppliers.
Utility Deposits (9)	\$500	\$750	\$1,500	Before Opening	Deposits are refundable	Suppliers
Grand Opening Advertising (10)	\$2,500	\$2,500	\$2,500	90 Days Before Opening	No	Us
Opening Inventory and Supplies (11)	\$3,500	\$4,500	\$6,000	Before Opening	No	Vendors
Training Expenses (12)	\$1,000	\$1,500	\$2,000	Before Opening	No	Vendors
Insurance (13)	\$1,000	\$1,500	\$2,000	Before Opening	No	Vendors
Point of Sale System and supplies (14)	\$4,800	\$4,800	\$9,600	Before Opening	No	FES, Inc or other approved suppliers.

Item	Lower Cost	Mid Cost	Higher Cost	When Due	Refundable	To Whom Paid
Architectural Fees (15)	\$4,500	\$4,500	\$4,500	Before Opening	No	Architects
Royalties – 3 months	Not calculable	Not calculable	Not calculable	Weekly	No	Vendors
Advertising Fees – 3 months	Not calculable	Not calculable	Not calculable	Upon Activation of Program	No	Us
Working Capital – 3 months (16)	\$10,000	\$15,000	\$22,500	As Incurred	No	Suppliers and Employees
TOTAL	\$101,860	\$140,622	\$210,390			

NOTES:

(1) You must pay an initial franchise fee of \$17,500 when you sign a Franchise Agreement to obtain a single Restaurant. The initial franchise fee is non-refundable under the terms of the Franchise Agreement. Initial franchise fees are discussed in detail in Item 5.

(2) You must operate from a visible retail location, located in a heavily traveled shopping center or a free standing building. The leased space will be approximately 1,200 to 2,000 square feet. We estimate that the lease costs for this space will range between \$1,500 to \$5,000 plus CAM charges per month although some rents may be higher. Generally landlords require the first month's rent plus an additional month's rent as a lease deposit.

(3) It is estimated that to prepare the premises you will be required to spend between \$25,000 and \$80,000, which includes items such as engineering fees, flooring, painting, plumbing, electrical, general build-out and the like. These costs are normally paid to a contractor and will be payable as arranged by you. Some locations may require lower or higher build-out expenses depending upon the condition of the premises and what part of the country where the premises is located. In some cases the landlord may offer some financial participation to be used by you in the build-out and preparation of the premises for your use.

(4) If you choose to purchase outright the major kitchen equipment the purchase price will range from \$25,000 to \$28,000 from one of our approved suppliers which may include FES, Inc. You may choose to lease or otherwise finance the equipment. Although we do not directly provide lease financing we will assist you in obtaining lease purchase financing from approved lenders currently providing these services to our financially qualified franchisees. Sales, use, personal property or other taxes will be included in the terms of the lease.

(5) The required exterior signs will vary in price depending upon size, supplier and where you are located. You can exceed the estimates if you choose to do so. You pay the suppliers direct under terms you arrange.

(6) This expense is for interior signs and required neon and decor as well as other interior items. These items are purchased directly from the suppliers of such items. You pay the suppliers direct under terms arranged by you.

(7) Included items are dining chairs and tables in 40, 48 or 60 seat configurations for the dining area of the restaurant.

(8) Small wares represent other food preparation equipment and utensils necessary to operate the Restaurant.

(9) Security deposits for utilities and telephone.

(10) You must spend a minimum of \$2,500 to promote your restaurant before opening and for your grand opening advertising campaign. Advertising may include newspaper advertisements, direct mail and other media. An initial \$2,500 deposit for the advertising must be deposited with us at least 90 days before opening.

(11) Opening inventory and supplies include food products and paper supplies which are needed to begin business at the Restaurant under terms arranged between you and the supplier.

(12) We provide initial training to your Operating Principal and General Manager at no additional charge. These estimates include only your out-of-pocket costs associated with the training of the Operating Principal and General Manager (including travel, room, and board). These amounts do not include any fees or expenses for training any other personnel. These costs will vary depending on your selection of lodging and dining facilities and mode and distance of transportation.

(13) This is the estimated cost for the insurance required in your Restaurant. Insurance quotes will vary from state to state and county to county.

(14) The POS System includes the electronic register and all accessories to operate and communicate with us.

(15) This is the estimated costs for the preparation of architectural plans. The costs will vary depending upon the municipality you develop your Restaurant in.

(16) This estimates the initial working capital necessary. This amount and the others outlined above are our best estimates, but you may have additional expenses starting the business requiring additional capital. We relied on our experience when compiling these estimates. These figures are estimates and we cannot assure you that you will not have additional expenses starting the Restaurant. Your actual costs will depend on factors such as your management skill, experience and business acumen; local economic conditions; the local market for products; the prevailing wage rate; competition; and the sales level reached during the start-up phase. These amounts do not include any estimates for debt service.

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Development Agreement

Item	Amount	Method of Payment	When Due	To Whom Paid
Area Fee (1)	\$49,500- \$75,000	Lump Sum	On Signing of Development Agreement	Us
Initial Rent	\$1,000 \$2,500	Lump Sum	Before Opening	Landlord
Office Equipment	\$750 - \$1,250	Lump Sum or Installments	Before Opening	Vendors, Suppliers
Utility Deposits	\$500- \$750	Lump Sum	Before Opening	Suppliers
Office Supplies	\$50 - \$100	As Incurred	Before Opening	Vendors
Training Expenses	\$1,000 \$1,500	As Incurred	Before Opening	Vendors
Insurance	\$1,000- \$1,500	Lump Sum or Installments	Before Opening	Vendors
Working Capital - 3 months (2)	\$3,000- \$5,000	As Incurred	As Incurred	Suppliers and Employees
TOTAL	\$55,800 \$87,600			

NOTES:

(1) You must pay us an Area Fee when you sign a Development Agreement. The Area Fee is non-refundable and are discussed in detail in Item 5.

(2) This estimates the initial working capital necessary. This amount and the others outlined above are our best estimates, but you may have additional expenses starting the business requiring additional capital. We relied on our experience when compiling these estimates. These figures are estimates and we cannot assure you that you will not have additional expenses. Your actual costs will depend on factors such as your management skill, experience and business acumen; local economic conditions and the sales level reached during the start-up phase. These amounts do not include any estimates for debt service.

Except as specifically stated above, the amounts given above are our best estimates. Any of the costs outlined may be subject to increase based on changes in market conditions, where you are located, our cost of providing services, future policy changes or other factors.

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ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must purchase or lease and install all fixtures, furnishings, equipment (including electronic cash registers, computer hardware and software), decor items, signs and related items that meet our standards and specifications which we require and as outlined in our Manuals or otherwise in writing, unless you have first obtained our written consent to do otherwise. You may not install or permit to be installed on the Restaurant premises any fixtures, furnishings, equipment, decor items, signs, games, vending machines or other items without our written approval. If you lease any of these items from a third party, we must approve the lease before it is signed. We will not approve the lease unless it permits your interest in the lease, at our sole option, to be assigned to us if the Franchise Agreement terminates or expires and that prohibits the lessor from imposing an assignment or related fee on assignment.

We and our affiliates have the right to receive payments from suppliers, excepting food suppliers, on account of their dealings with you and our other franchisees and to use the amounts received without restriction for any purpose we or our affiliates deem appropriate. We and our affiliates may negotiate purchase arrangements with suppliers for the benefit of our franchisees, which often include volume discounts. Some suppliers may pay us and our affiliates fees for products purchased (excepting food suppliers) through these negotiated agreements, and their willingness to pay us and our affiliates fees may be a condition of our approval of a supplier (excepting food suppliers). Currently though, we do not receive any payments from suppliers but it is anticipated that FES, Inc, as one of our approved supplier of kitchen equipment, small wares, point-of-sale-systems and furniture, may receive handling fees on equipment purchases by our franchisees that may range from 4% and 10% . We estimate the cost of your purchases from designated or approved suppliers, or according to our specifications will range from 25% to 40% of the total cost to establishing, and 1% to 2% of the costs operating your Restaurant.

To ensure that the highest degree of quality and service is maintained, you must operate the Restaurant in strict conformity with the methods, standards and specifications and must purchase all food products and fixtures, furnishings, equipment from our approved or designated suppliers and distributors. We estimate that your purchases from approved or designated suppliers and distributors will represent approximately 30% to 40% of your total purchases for the establishment of your Restaurant. During the fiscal year ended September 30, 2005, the revenues of FES Colorado were \$445,784.10. During FES Colorado's fiscal year ended September 30, 2005, the revenues of FES Colorado from the sale of products or other items to our franchisees were \$445,784, or 100% of its revenues. The source of this information is the financial books and records of FES Colorado.

You must maintain in sufficient supply and use and sell at all times only those food and beverage items, ingredients, products, materials, supplies and paper goods that meet our standards and specifications. All menu items must be prepared in accordance with the recipes and procedures specified in the Manuals or other written materials. You must not deviate from these standards and specifications by the use or offer of non-conforming items or differing amounts of any items without obtaining our written consent first. You must sell and offer for sale only those menu items, products and services that we have expressly approved in writing to be for sale. You must offer for sale all products and services required by us in the manner and style we require, including dine-in and carry-out services and the sale of pre-packaged food products. You must not deviate from our standards and specifications without obtaining our written consent first. You must discontinue offering for sale any items, products and services we may disapprove in writing at any time. We can, and expect to, modify our standards and specifications as we deem necessary. We will provide you notice of any changes in the Manuals.

You must permit us or our agents, at any reasonable time, to remove a reasonable number of samples of food or non-food items from your inventory or from the Restaurant free of charge for testing by us or by an independent laboratory, to determine whether the samples meet our then-current

standards and specifications. Besides any other remedies we may have, We may require you to pay for the testing if we have not previously approved the supplier of the item or if the sample fails to conform to our specifications (see Item 6).

Except for products, promotional materials and software configurations provided by us or our designated suppliers (or delivery vehicles that you may use in the operation of the Restaurant), you must obtain all food and beverage items, ingredients, supplies, materials, fixtures, furnishings, equipment (including electronic cash register, computer hardware and software), and other products used or offered for sale at the Restaurant solely from suppliers who demonstrate, to our continuing reasonable satisfaction, the ability to meet our then-current standards or in accordance with our standards and specifications. Our criteria for supplier approval may be found in the Manuals. Among other things, the suppliers must have adequate quality controls and the capacity to supply your needs promptly and reliably. If you wish to purchase, lease or use any products or other items from an unapproved supplier, you must submit a written request for approval, or must request the supplier to do so. We have to approve any supplier in writing before you make any purchases from that supplier. We can require that our representatives be permitted to inspect the supplier's facilities and that samples from the supplier be delivered either to us or to an independent laboratory for testing. You must pay the cost of the inspection, and the actual cost of the test must be paid by you or the supplier (see Item 6). We reserve the right to re-inspect the facilities and products of any approved supplier and to revoke our approval if the supplier fails to continue to meet any of our then-current standards. Our supplier approval procedure does not obligate us to approve any particular supplier. However, we will notify you within 30 days after we complete the inspection and evaluation process of our approval or disapproval of any proposed supplier.

Although we recommend that you do so, we do not require you to offer delivery or catering services, however, if you choose to do so, any vehicle that you use to deliver Restaurant products and services to customers must meet our standards for appearance and ability to satisfy the requirements imposed on you under the Franchise Agreement. You must place the signs and decor items on the vehicle we require and must at all times keep the vehicle clean and in good working order. You must require each person providing those services to comply with all laws, regulations and rules of the road and to use due care and caution operating and maintaining the motor vehicles. Except as noted above, we do not have any standards or exercise control over any motor vehicle that you utilize.

We may develop for use in the System certain products which are prepared from confidential proprietary recipes and other proprietary products which may bear our Marks. Because of the importance of quality and uniformity of production and the significance of those products in the System, it is to your and our benefit that we closely control the production and distribution of those products. Accordingly, if those products become a part of the System, You will use only our proprietary recipe and other proprietary products and will purchase solely from us or from a source designated by us all of your requirements for those products. You must purchase from us for resale to your customers certain merchandise identifying the System that we require, such as pre-packaged food products and memorabilia and promotional products, in amounts sufficient to satisfy your customer demand. You must also obtain certain upgrades for your electronic cash register system.

All advertising and promotional materials, signs, decorations, paper goods (including menus and all forms and stationery used in the Restaurant) and other items we designate must bear the Marks (see Item 13) in the form, color, location and manner we prescribe. In addition, all your advertising and promotion in any medium must be conducted in a dignified manner and must conform to the standards and requirements in the Manuals or otherwise. You must obtain our approval before you use any advertising and promotional materials and plans if we have not prepared or approved them.

You must obtain our approval of the site for the Restaurant before you acquire the site. You must also obtain our approval of any contract of sale or lease for the Restaurant before you execute the contract or lease. We will not approve any lease unless a rider to the lease, prepared by us, is signed by you, by us and by the landlord. The rider will contain the following provisions:

1. During the term of the Franchise Agreement, the premises will be used only for the operation of the Restaurant.

2. The landlord consents to your use of the Marks and signs, decor items, color schemes and related components of the System.

3. The landlord agrees to give us copies of any and all letters and notices sent to you related to the lease and the premises, at the same time that these letters and notices are sent to you.

4. We may enter the premises to make any modification necessary to protect the System and Marks or to cure any default under the Franchise Agreement or under the lease, without being guilty of trespass or any other crime or tort. The landlord will not be responsible for any expenses or damages owing from our conduct of those activities.

5. If we exercise our option to obtain your lease, you must assign the lease to us or our affiliates when the Franchise Agreement expires or terminates, and the landlord will consent to this assignment and will not charge any assignment fee or accelerate rent under the lease.

6. If the lease is assigned, we or any affiliate designated by us will agree to assume from the date of assignment all of your obligations remaining under the lease, and we or our affiliate will assume your occupancy rights, and the right to sublease the premises, for the remainder of the term of the lease.

7. You will not assign the lease or renew or extend the lease's term without obtaining our written consent first.

8. The landlord and you will not amend or otherwise modify the lease in any manner that could materially affect any of the above requirements without obtaining our written consent first.

9. The terms of the lease rider will supersede any conflicting terms of the lease.

Before you open the Restaurant for business, you must obtain the insurance coverage for the Restaurant specified below. This insurance coverage must be maintained during the term of the Franchise Agreement and must be obtained from a responsible carrier or carriers acceptable to us.

1. Comprehensive General Liability Insurance, including broad form contractual liability, broad form property damage, personal injury, advertising injury, completed operations, products liability and fire damage coverage, in the amount of \$1,000,000 combined single limit.

2. "All Risks" coverage for the full cost of replacement of the Restaurant premises and all other property in which we may have an interest with no coinsurance clause.

3. Crime insurance for employee dishonesty in the amount of \$10,000 combined single limit.

4. Business Interruption insurance in a sufficient amount to cover profit margins, maintenance of competent and desirable personnel and fixed expenses for at least 90 days.

5. Automobile liability coverage, including coverage of owned, non-owned and hired vehicles, with coverage in amounts at least \$1,000,000 combined single limit.

6. Workers' compensation insurance in amounts provided by applicable law or, if permissible under applicable law, any legally appropriate alternative providing substantially similar compensation to injured workers, subject to the conditions set forth in the Franchise Agreement.

7. Other insurance required by the state or locality in which the Restaurant is located and operated.

You may, after obtaining our written consent, elect to have reasonable deductibles under the coverage required under paragraphs 1 - 6 described above. Also, related to any construction, renovation or remodeling of the Restaurant, you must maintain builders risks insurance and performance and completion bonds in forms and amounts and written by a carrier or carriers satisfactory to us. All of the policies must name us, our affiliates and the respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them as additional insured's and must include a waiver of subrogation in favor of all those parties.

ITEM 9 FRANCHISEE'S OBLIGATIONS

THIS TABLE LISTS YOUR PRINCIPAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT. IT WILL HELP YOU FIND MORE DETAILED INFORMATION ABOUT YOUR OBLIGATIONS IN THE FRANCHISE AGREEMENT AND IN OTHER ITEMS OF THIS OFFERING CIRCULAR.

Obligation	Section in Franchise Agreement ("FA") or Area Development Agent Agreement ("ADA")	Item in Offering Circular
(a) Site selection and acquisition/lease	FA Section 3	7, 8, 10 and 11
(b) Pre-opening purchases/leases	FA Section 3; ADA Section 1(F)	7, 8 and 11
(c) Site development and other pre opening requirements	FA Section 3	7 and 11
(d) Initial and ongoing training	FA Sections 4 and 5; ADA Section F, 1(P)	7 and 11
(e) Opening	FA Section 6	11
(f) Fees	FA Sections 1, 7, 9, 10, 11, 12, 19 and 20; ADA Sections 1(C), 3	5, 6, 7 and 11
(g) Compliance with standards and policies / Operations manuals	FA Sections 3, 6, 7, 13, and 17; ADA Section 1	8, 11, 14 and 16
(h) Trademarks and proprietary information	FA Sections 3, 6, 7 and 16; ADA Section 4(B)	13 and 14

Obligation	Section in Franchise Agreement ("FA") or Area Development Agent Agreement ("ADA")	Item in Offering Circular
(i) Restrictions on products/services offered	FA Section 13; ADA Sections 1(G), 1(L), 4(B), 4(I)	8 and 16
(j) Warranty and customer service requirements	None	11
(k) Territorial development	FA Section 2; ADA Section 1	12
(l) On-going product/service purchases	FA Section 13	8 and 16
(m) Maintenance, appearance and remodeling requirements	FA Section 6 and 7	11
(n) Insurance	FA Section 22	7 and 8
(o) Advertising	FA Sections 8, 12 and 13; ADA Sections 1(A), 1(D), 3(F)	6, 7 and 11
(p) Indemnification	FA Section 22; ADA Section 4(L)	6 and 13
(q) Owner's participation/management/staffing	FA Sections 4 and 6; ADA Section 1(G)	15
(r) Records/reports	FA Sections 9, 10, 12 and 18; ADA Sections 1(I), 1(O), 3(C), 3(G), 4(C)	6
(s) Inspections/audits	FA Sections 6, 14 and 18	6, 8 and 11
(t) Transfer	FA Section 20; ADA Sections 4(J), 4(K)	6 and 17
(u) Renewal	FA Section 19; ADA Section 4(A)	6 and 17
(v) Post-termination obligations	FA Section 25; ADA Sections 1(G), 4(I)	17
(w) Non-competition covenants	FA Section 26; ADA Section 1(G)	17
(x) Dispute resolution	FA Section 31; ADA Sections 4(H), 4(M)	17

ITEM 10
FINANCING

We do not offer direct or indirect financing. We do not receive any payments directly or indirectly for the placement of financing. We do not guarantee any note, lease, or obligation of yours in connection with the purchase or establishment of your Restaurant. We do not sell or assign our rights to any financing arrangements to any third parties and have no plans to do so.

ITEM 11
FRANCHISOR'S OBLIGATIONS

Except as disclosed below, we need not provide any assistance to you.

Before you open your Restaurant, we will:

1. Approve the location of your Restaurant. Although in some instances we may assist in locating an acceptable site for you, we are not obligated to do so. In approving, or disapproving, a proposed site, we will consider such matters as we deem material, including, without limitation, demographic characteristics of the site, traffic patterns, parking, the character of the neighborhood, the proximity to other business and other commercial characteristics (including rental obligations and other lease terms) and the size of the premises, appearance and other physical characteristics (Franchise Agreement, Section 3).

If you want us to approve a site which you have selected, and desire to develop, and have submitted the site to us for approval. We will approve the site at your request, but you must sign a Location Acknowledgement Form that states you have selected and approved the site.

It has been our experience that the length of time between the signing of a Franchise Agreement and the opening of a Restaurant has ranged from 12 weeks (3 months) to 34 weeks (8 months). You must select a site and open your Restaurant for business within 1 year after you sign the Franchise Agreement. We may extend this period for an additional 1 year for an extension fee of \$2,500. You may not re-locate your Restaurant without our prior approval (Franchise Agreement, Section 2.4).

2. Designate your territory (Franchise Agreement, Section 2).

3. Provide you with a copy of our Operations Manual that covers topics such as site selection, start-up requirements, specifications, equipment and supplies (Franchise Agreement, Section 7). A copy of the Table of Contents of the Operations Manual is attached to this Offering Circular as Exhibit E. Our Operations Manual contains 304 pages.

4. Furnish to you prototype or actual plans and specifications for a New York NY Fresh Deli Restaurant, reflecting our requirements for dimensions, exterior and interior design and layout (Franchise Agreement, Section 3). A list of equipment and supplies required, site selection criteria and, upon your request, we will provide you with a floor plan for your specific location (Franchise Agreement, Section 3).

5. The NEC 5000 Electronic POS Cash Register(s) required in the operation of Your Restaurant will contain a pre-loaded software program designed especially for use in our Restaurants which will be on loan to you for the duration of your Franchise Agreement. This electronic cash register system will allow you to collect data for inclusion in your required Weekly Sales Reports and may be reconfigured to allow us to poll your data from a remote location.

6. Before the scheduled opening of your New York NY Fresh Deli Restaurant, we will train you as follows:

Subject	Instructional Material	Hours of Classroom Training	Hours of On Site Training	Instructor
Personnel	Operations Manuals	2	0	Staff
Administration	Operations Manuals	3	0	Staff
Operations	Operations Manuals	5	0	Staff
Advertising	Operations Manuals	2	0	Staff
Customer Service	Operations Manuals	3	3	Staff
Food/Product Preparation	Operations Manuals	3	15	Staff
Inventory Controls	Operations Manuals	1	1	Staff
Sanitation & Safety	Operations Manuals	1	1	Staff
Totals		20	20	

We may modify our initial training program at any time.

We do not charge for the training described above, but you must pay any associated travel or living expenses you, or your manager, may incur while attending the training program in Mesa, Arizona, or at another site chosen by us. Attendance at an initial training program session is required for each new franchisee of ours.

The initial training program is conducted under the supervision of Gary Palmer whose business experience and experience with us is described in Item 2 of this Offering Circular.

Development Agents of specific areas are responsible for the initial on-site store training as well as other pre-opening duties for franchisees that are located within the Development Agent's area.

During the operation of your Restaurant, we will:

1. Approve the opening of your Restaurant by notification from us (Franchise Agreement Section 6).

2. During the initial opening stages of your Restaurant a representative or Development Agent of ours will provide the initial on-the-job-training to you and your staff for a total of 40 hours (Franchise Agreement, Section 4). The initial training session will be as close to your first week of operation as feasible, based upon your estimated opening date as supplied by you to us. We will also provide on-the-job-training for you and your staff if you open a second and subsequent franchise Restaurants. These training periods will be for a total of 20 hours for each subsequent Restaurant.

3. We, at our sole discretion, may offer special meetings, national or regional conferences for you, our other franchisees, and employees of our System. Conferences are optional regarding

attendance and, as such may require the payment of an attendance fee or other costs (Franchise Agreement, Section 5).

4. We may also provide, and you may be required to attend, additional training programs, workshops or seminars. Such required training will be offered without cost, other than normal out-of-pocket expenses (Franchise Agreement, Section 5).

5. Our representative or your Development Agent will provide periodic visits at your location to visually inspect your Restaurant and your compliance with our operating standards and to generally confer with you or your designated and trained Restaurant manager (Franchise Agreement, Section 6).

6. When we determine it is feasible to do so, we will create an Advertising Fund (the "Fund") for the promotion on a regional or national basis of all Restaurants in the System. When the Fund is created, you will be required to contribute 1% of your Restaurant's Gross Sales on a weekly basis to the Fund. Once established, we have the right to increase the contributions up to a maximum of 3% of Gross Sales, but we will not increase this fee by more than 1% in any one year. (Franchise Agreement, Section 12). NYNYFI did not have an Advertising Fund during the period October 1, 2004 to September 30, 2005.

The Fund will be maintained and administered by us or our designee as follows:

(1) We will direct all advertising programs and shall have sole discretion to approve or disapprove the creative concepts, materials and media used in such programs and the placement and allocation thereof. The Fund is intended to maximize general public recognition and acceptance of the Marks and enhance the collective success of all Restaurants operating under the System. We will, for Restaurants operated by us or any affiliate, contribute to the Fund generally on the same basis as our franchisees. In administering the Fund, we and our designees undertake no obligation to make expenditures for you which are equivalent or proportionate to your contribution or to ensure that any particular franchisee benefits directly or pro rata from the placement of advertising. (Franchise Agreement, Section 12).

(2) The Fund may be used to satisfy any and all costs of maintaining, administering, directing and preparing advertising (including, without limitation, the cost of preparing and conducting television, radio, magazine and newspaper advertising campaigns; direct mail and outdoor billboard advertising; public relations activities; employing advertising agencies to assist therein; and costs of our personnel and other departmental costs for advertising that is internally administered or prepared by us). All sums paid by franchisees to the Fund will be maintained in a separate account by us and may be used to defray any of our general operating expenses, if any, as we may incur in activities reasonably related to the administration or direction of the Fund and advertising programs for franchisees and the System. The Fund and its earnings shall not otherwise inure to our benefit. The Fund is operated solely as a conduit for collecting and spending the advertising fees as outlined above. (Franchise Agreement, Section 12).

(3) A statement of the operations of the Fund will be prepared annually by us and will be made available to any franchisee upon request. (Franchise Agreement, Section 12).

(4) Although the Fund is intended to be of perpetual duration, we may terminate the Fund. The Fund shall not be terminated, however, until all monies in the Fund have been spent for advertising or promotional purposes or returned to contributing Restaurants or those operated by us or any affiliate, without interest, on the basis of their respective contributions. (Franchise Agreement, Section 12).

If we request, you agree to promptly join, participate in and make contributions to an approved Advertising Co-op program. Each Advertising Co-op approved will be within a specific marketing area where a concentration of franchised or Company-operated Restaurants make such a

Co-op feasible. Each Co-op formed will be comprised of franchisees who will elect officers among the group consisting of a Chairperson, Vice-Chairperson and a Co-op Secretary. The method of administration of Co-op monies, selection of an advertising agency and other matters will be determined by a majority vote of its members. All advertising and the agency which the Co-op proposes to utilize will be submitted to us for approval before use or hire. Any advertising contributions made by you to a Co-op will be considered as all or a portion of your overall required local advertising expenditures. (Franchise Agreement, Section 12).

ITEM 12 **TERRITORY**

Franchise Agreement

The franchise is granted for a specific location which must be approved by us. You will also be granted an exclusive territory with a minimum one mile radius of the location. The factors we take into consideration in determining the boundaries of an exclusive territory include the Restaurant's location, traffic patterns, demographics of the area and the existence and location of competing businesses, including other New York NY Fresh Deli Restaurants. A description of your territory may be attached to your Franchise Agreement. You may not operate your New York NY Fresh Deli Restaurant at any location other than the location set forth in the Franchise Agreement without our written approval.

While you are a New York NY Fresh Deli franchisee, we will not open or grant anyone else the right to open a New York NY Fresh Deli Restaurant in your territory without your written authorization. We retain the right, however, to operate and grant other persons the right to operate New York NY Fresh Deli Restaurants at such locations outside your territory and on such terms and conditions as we deem appropriate.

Development Agreement

Development Agents sell our franchises and provide opening and ongoing support services to our franchised Restaurants within the designated Area. We will establish your Area when we sign the Development Agreement. We grant you a non-exclusive right to solicit and recruit prospective franchisees for locations in your Area. You may only solicit prospects that reside or maintain their principal place of business in your Area. During the initial 5 year term of the Development Agreement, you must satisfy the cumulative minimum development schedule included in your Development Agreement (the "**Development Schedule**"). We establish the Development Schedule when we sign the Development Agreement. We measure the Development Schedule according to the number of Restaurants that are open and operating in your Area. After the initial 5 year term, the total number of Restaurants in the Area must increase at the minimum rate of 10. Maximum penetration of an Area is based upon one Restaurant for each 35,000 of population. A Restaurant will be considered to be open and operating only if it is open and functioning Restaurant located within the Area in compliance with the terms of the Franchise Agreement. We may terminate the Development Agreement upon 30 days' written notice if you do not comply with the Development Schedule.

ITEM 13 **TRADEMARKS**

We grant you the right to operate your business under the name "**New York NY Fresh Deli**" or "**New York New York Fresh Deli**" and such other trade names or trademarks which may be developed or utilized within the System. You may use these Marks only in the manner authorized and permitted by us.

You may not use the Marks as a part of your corporate or other legal name, and you must comply with our instructions in filing and maintaining trade name or fictitious name registrations. You must execute any documents we require to protect the Marks or to maintain their continued validity

and enforceability. In addition, You may not directly or indirectly contest the validity of our ownership of, or use of or any of our affiliate's rights in and to, the Marks.

On November 20, 2002 NYNYFI filed with the United States Commissioner of Patents and Trademarks the Design Mark "New York Subs Fresh Deli" as shown below. The service mark was listed on the Principal Register of the USPTO on December 6, 2005 and bears the Registration No. 3,024,308. This Design Mark was assigned by NYNYFI to us on March 14, 2006. The Assignment was recorded as a Notice of Recordation of Assignment Document with the United States Patent Office on March 17, 2006.

The trademark "New York Subs Fresh Deli" with city design shown below was registered by NYNYFI with the State of Arizona on January 21, 2003 and bears the Registration Number 46961. This registration has been assigned to us and an assignment registration will be processed in due course with the State of Arizona.



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On January 20, 2004 NYNYFI filed with the United States Commissioner of Patents and Trademarks the Design Mark "New York NY Fresh Deli", as shown below. The service mark was listed on the Principal Register of the USPTO on November 29, 2005 and bears the Registration No. 3,021,879. This Design Mark was assigned by NYNYFI to us on March 14, 2006. The Assignment was recorded as a Notice of Recordation of Assignment Document with the United States Patent Office on March 17, 2006.



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On December 17, 2003 NYNYFI filed with the United States Commissioner of Patents and Trademarks the Design Mark "New York New York Fresh Deli" as shown below, The service mark was listed on the Principal Register of the USPTO on September 13, 2005 and bears the Registration No. 2 995, 996. This Design Mark was assigned by NYNYFI to us on March 14, 2006. The Assignment was recorded as a Notice of Recordation of Assignment Document with the United States Patent Office on March 17, 2006.



There has been no litigation or any action by the Trademark Administrator of this state or any other state or court relative to the ownership use or licensing of the names "New York Subs Fresh Deli", "New York NY Fresh Deli" or "New York New York Fresh Deli".

In January 20, 2005, NYNYFI agreed to not use the mark "New York Subs Fresh Deli" and design in Dallas, Texas and Bryan-College Station, Texas under an agreement with New York Sub, Inc. of Dallas, Texas With this exception, there are no agreements currently in effect that significantly limit our right to use or license the names and Marks in any manner material to your use of the Marks. In addition, there are no existing infringing uses actually known to us of our Marks or names which could materially affect your use of the trademarks, services marks, trade names, logotypes or other commercial symbols.

You must immediately notify us of any apparent infringement of the Marks or challenge to your use of the Marks or claim by any person of any rights in the Marks. You are not permitted to communicate with any person other than us, our Parent, or any designated affiliate, their counsel and your counsel involving any infringement, challenge or claim. We can take action and have the right to exclusively control any litigation or Patent and Trademark Office or other administrative or agency proceeding caused by any infringement, challenge or claim or otherwise under the Marks. You must execute any and all documents, and do what may, in our counsel's opinion, be necessary or advisable to protect our interests in any litigation or Patent and Trademark Office or other administrative or agency proceeding or to otherwise protect and maintain our interests and the interests of any other person or entity having an interest in the Marks.

We will indemnify you against and reimburse you for all damages for which you are held liable for your use of the Marks, if your conduct in the proceeding and use of the Marks is in full compliance with the terms of the Franchise Agreement.

Except as provided above, we are not obligated by the Franchise Agreement to protect any rights granted to you to use the Marks or to protect you against claims of infringement or unfair competition with respect to them. Although we are not contractually obligated to protect the Marks or your right to use them, as a matter of corporate policy, we intend to defend the Marks vigorously.

You must, at your expense, discontinue or modify your use of the Marks or to use one or more additional or substitute trade names, service marks, trademarks, symbols, logos, emblems and indicia of origin if we determine that an addition or substitution will benefit the System or if the Marks no longer can be used. You must promptly implement any substitution of new Marks at your expense and the use of the new Marks will be governed by the terms of the Franchise Agreement. We will have no

obligation or liability to you for any of your expenses to implement any substitution.

The license to use the Marks granted in the Franchise Agreement is non-exclusive to you. We have and retain certain rights in the Marks including the following:

1. To grant other licenses for the use of the Marks in addition to those licenses already granted to existing franchisees;
2. To develop and establish other systems using the Marks or other names or marks, and to grant licenses or franchises in those systems without providing any rights to you; and
3. To engage, directly or indirectly, at wholesale, retail or otherwise, in (a) the production, distribution, license and sale of products and services and (b) the use of the Marks and any and all trademarks, trade names, service marks, logos, insignia, slogans, emblems, symbols, designs and other identifying characteristics we may develop for that purpose.

ITEM 14 **PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

No patents are material to the franchise, however, the Operations Manuals which contain the food and product preparation guides are proprietary which you will use in the operation of a New York NY Fresh Deli Restaurant. Although we have not filed an application for a copyright registration for the Operations Manual, it claims a common law copyright and the information is proprietary.

Our right to use or license of these copyrighted items is not materially limited by any agreement or known infringing use.

You shall not, during the term of this Agreement or thereafter, communicate, divulge or use for the benefit of any other person, persons, partnership, association or corporation and, following the expiration or termination of the Franchise Agreement, they shall not use for their own benefit any confidential information, knowledge or know-how concerning the methods of operation of the Franchised Restaurant which may be communicated to them or of which they may be apprized in connection with the operation of the Restaurant under the terms of the Franchise Agreement. You may divulge such confidential information only to such of your employees as must have access to it in order to operate the Restaurant. Any and all information, knowledge, know-how, techniques and any materials used in or related to the System which we provides to you in connection with this Agreement will be deemed confidential for purposes of this Agreement. You shall not at any time, without our prior written consent, copy, duplicate, record or otherwise reproduce such materials or information, nor otherwise make the same available to any unauthorized person. This covenant of the Franchise Agreement will survive the expiration, termination or transfer of the Franchise Agreement or any interest in the Franchise Agreement and will be perpetually binding upon you.

If you develop any new concept, process, product, recipe, or improvement in the operation or promotion of the Restaurant, you must promptly notify us and provide us with all necessary related information, without compensation. You acknowledge that any such concept, process, product, recipe, or improvement will become our property, and we may use or disclose such information to other franchisees or developers as it determines to be appropriate.

ITEM 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL
OPERATION OF THE FRANCHISED BUSINESS

We do not require the personal day-to-day participation by you in the management of the Franchised Restaurant, however, You are expected to be involved in the overall management of the business.

ITEM 16
RESTRICTIONS OF WHAT THE FRANCHISEE MAY SELL

The terms of the Franchise Agreement provide that you must offer for sale all products and services that we authorize for sale at our Restaurants and must offer them only in the manner we have prescribed. You may not offer for sale or sell any products or services that we have not authorized. Unless authorized to do so in writing by us, You may not use the premises of the Restaurant for any purpose other than the operation of a New York NY Fresh Deli Restaurant. You must also use in the preparation and sale of the approved products and services only materials, ingredients and supplies that conform to our standards and specifications. We have the right to change (either add or delete) the types of required and authorized products or services and there are no limits on our rights to do so. You are not restricted in any manner as to the customers to whom you may sell the approved products.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THIS TABLE LISTS CERTAIN 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	19	Term continues for 10 years from the date of the Franchise Agreement unless terminated earlier.
b. Renewal or extension of the term	19	Agreement may be renewed at your option for one additional 10-year term.
c. Requirements for you to renew or extend	19	You must give at least 7 months' notice, repair and update equipment and Restaurant premises, not be in breach of any agreement with us or our affiliates, have the right to remain in possession of Restaurant premises, execute current agreement and comply with current qualification and training requirements.
d. Termination by you	Not applicable	You may terminate the Franchise Agreement on any grounds available under law.
e. Termination by us without cause	Not applicable	Not applicable

Provision	Section in Franchise Agreement	Summary
f. Termination by us with cause	24	Each of your obligations under the Franchise Agreement is a material and essential obligation, the breach of which may result in termination.
g. "Cause" defined-defaults which can be cured	24	You have the right to cure defaults within 30 days of notice
h. "Cause" defined-defaults which cannot be cured	24	Bankruptcy of franchisee, understatement of gross sales by 5% or more, unapproved transfer, abandonment of franchise
i. Your obligations on termination / non-renewal	25	Obligations include: you must cease operating the Restaurant and using the Marks and System and completely de-identify the business, pay all amounts due to us or our affiliates, return all Manuals and software and other proprietary materials, comply with confidentiality requirements, and at our option, sell or assign to us your rights in the Restaurant premises and the equipment and fixtures used in the business.
j. Assignment of contract by New York NY Fresh Deli Franchise Inc.	20	No restriction on our right to transfer
k. "Transfer" by you - definition	20	Includes transfer of any interest in franchise or change of ownership
l. Our approval of transfer by franchisee	20	We will not unreasonably withhold approval of transfer
m. Conditions for our approval of transfer	20	Transferee qualifies at current guidelines for new franchisees, transfer fee paid
n. Our right of first refusal to acquire your business	21	We have the right to match any offer received for your franchise
o. Our option to purchase your business	None	
p. Your death or disability	23	Franchise must be assigned within one year
q. Non-competition covenants during the term of the franchise	26	You are prohibited from operating or having an interest in a similar business.
r. Non-competition covenants after the franchise is terminated or expires	26	Cannot operate competing business within 100 miles of any New York NY Fresh Deli Restaurant for 2 years

Provision	Section in Franchise Agreement	Summary
s. Modification of the agreement	32	Modifications only made in writing, approved and signed by all parties, You must comply with Manuals as amended.
t. Integration/merger clause	34	Only the terms of the Franchise Agreement are binding (subject to State Law) any other promises may not be enforceable
u. Dispute resolution by arbitration or mediation	31	Except for actions brought by us for monies owed, injunctive or extraordinary relief, or actions involving real estate, all disputes must be mediated at our headquarters or arbitrated in Mesa, Arizona.
v. Choice of forum	31	The venue for all proceedings related to or arising out of the Franchise Agreement are to be held in Maricopa County, Arizona, unless otherwise brought by us (see State Addendum).
w. Choice of law	31	The Franchise Agreement is to be interpreted, governed and construed under Arizona law (except for Arizona choice of law rules) (see State Addendum).

Provision	Section in Development Agreement	Summary
a. Term of the franchise	4(A)	5 years
b. Renewal or extension of the term	4(A)	Agreement may be renewed at your option for 3 additional 5 year terms.
c. Requirements for you to renew or extend	Not applicable	Not applicable
d. Termination by you	4(E)	You may terminate the Franchise Agreement on 30 days notice to us
e. Termination by us without cause	Not applicable	Not applicable
f. Termination by us with cause	4(F)	Each of your obligations under the Development Agreement is a material and essential obligation, the breach of which may result in termination.
g. "Cause" defined-defaults which can be cured	4(F)	You have the right to cure defaults within 30 days of notice
h. "Cause" defined-defaults which cannot be cured	Not applicable	Not applicable

Provision	Section in Development Agreement	Summary
i. Your obligations on termination / non-renewal	1(G), 4(I)	You cannot participate in any similar restaurant business for 2 years within 10 miles of any of our existing Restaurants or otherwise use or disclose our trade secrets
j. Assignment of contract by us	Not applicable	No restriction on our right to transfer
k. "Transfer" by you - definition	4(J), 4(K)	Includes transfer of any interest in franchise or change of ownership
l. Our approval of transfer by franchisee	4(J), 4(K)	We will not unreasonably withhold approval of transfer
m. Conditions for our approval of transfer	4(J), 4(K)	Transferee qualifies at current guidelines for new Development Agents, attends training and \$25,000 transfer fee paid
n. Our right of first refusal to acquire your business	Not applicable	Not applicable
o. Our option to purchase your business	Not applicable	Not applicable
p. Your death or disability	Not applicable	Not applicable
q. Non-competition covenants during the term of the franchise	1(G), 4(I)	You cannot participate in any similar restaurant business
r. Non-competition covenants after the franchise is terminated or expires	1(G), 4(I)	You cannot participate in any similar restaurant business for 2 years within 10 miles of any of our existing Restaurants or otherwise use or disclose our trade secrets
s. Modification of the agreement	11	Modifications only made in writing, approved and signed by all parties.
t. Integration/merger clause	11	Only the terms of the Development Agreement are binding (subject to state law) any other promises may not be enforceable
u. Dispute resolution by arbitration or mediation	4(H)	All disputes must be arbitrated in Phoenix, Arizona.
v. Choice of forum	4(H)	The venue for all proceedings related to or arising out of the Development Agreement are to be held in Maricopa County, Arizona (subject to state law)
w. Choice of law	4(G)	The Franchise Agreement is to be interpreted, governed and construed under Arizona law ((subject to state law)

The following states have statutes which may supersede the Franchise Agreement and Area Development Agent Agreement in your relationship with us including the areas of termination of your franchise: ARKANSAS [Code Sections 4-72-201-4-72-210], CALIFORNIA [Bus. & Prof. Code Sections 20000-200043], CONNECTICUT [42-133e et seq.], DELAWARE [Code, Title 6, Chapter 25, Sections 2551-2556], HAWAII [Rev. Stat. 482E-6], ILLINOIS [815 ILCS 705/1 - 705/44], INDIANA [Code Sections 23-2-2.7 (1) - (7)], IOWA [Sections 523H.1-523H.17], MICHIGAN [19.854 (27)], MISSISSIPPI [Code Sections 75-24-51-75-24-63], MISSOURI [Stat. Sections 407.400-407.410], NEBRASKA [Re. Stat. Sections 87-401 - 87-410], NEW JERSEY [Rev Stat. Sections 56:10-1-56:10-12], SOUTH DAKOTA [Codified Laws Section 37-5A-51], VIRGINIA [Code Sections 13.1-557 through 13.1-574], WASHINGTON [Code Section 19.100.180], WISCONSIN [Stat. Section 135.03], DISTRICT OF COLUMBIA [Code Sections 29-1201-29-1208], PUERTO RICO [Annotated Laws Sections 278 - 278d], VIRGIN ISLANDS [Annotated Code Sections 130 - 139]. These and other states may have court decisions which may supersede the Franchise Agreement and Area Development Agent Agreement in your relationship with us, including the areas of termination of your franchise.

ITEM 18
PUBLIC FIGURES

We do not use any public figure to promote the franchise.

ITEM 19
EARNINGS CLAIM

We make no claims regarding actual, average, projected or forecasted franchisee sales, profits or earnings with respect to the Franchise.

ITEM 20
LIST OF OUTLETS

FRANCHISED STORE STATUS SUMMARY
AS OF OUR
PREDECESSOR'S YEAR ENDS ON SEPTEMBER 30, 2003, 2004 AND SEPTEMBER 30, 2005
AND OUR ACQUISITION OF THE BUSINESS ON MARCH 14, 2006

STATE	TRANSFERS	CANCELLED OR TERMINATED	NOT RENEWED	REACQUIRED BY FRANCHISOR	LEFT THE SYSTEM OTHER	TOTAL FROM LEFT COLUMNS	FRANCHISES OPERATING
Alabama	0/0/0/0	0/0/0/0	0/0/0/0	0/0/0/0	0/0/0/0	0/0/0/0	0/0/1/1
Arizona	1/0/0/0	0/0/0/0	0/0/0/0	0/0/0/0	1/0/0/1	2/0/0/1	0/1/2/1
Colorado	0/0/1/0	0/0/0/0	0/0/0/0	0/0/0/0	0/0/1/0	0/0/2/0	0/2/1/1
Florida	0/0/0/0	0/0/0/0	0/0/0/0	0/0/0/0	0/1/1/1	0/1/1/1	3/6/4/3
Georgia	0/0/0/0	0/0/0/0	0/0/0/0	0/0/0/0	0/0/1/0	0/0/1/0	1/2/1/1
Idaho	0/0/0/0	0/0/0/0	0/0/0/0	0/0/0/0	0/0/0/0	0/0/0/0	0/0/1/1
Indiana	0/0/0/0	0/0/0/0	0/0/0/0	0/0/0/0	0/0/1/0	0/0/1/0	1/1/0/0
Iowa	0/0/0/0	0/0/0/0	0/0/0/0	0/0/0/0	0/0/0/0	0/0/0/0	0/0/1/2
Missouri	0/0/0/0	0/0/0/0	0/0/0/0	0/0/0/0	0/0/0/1	0/0/0/1	0/1/1/1
No. Carolina	0/0/0/0	0/1/0/0	0/0/0/0	0/0/0/0	0/0/0/0	0/1/0/0	0/1/1/2
Ohio	0/0/0/0	0/0/0/0	0/0/0/0	0/0/0/0	0/0/0/0	0/0/0/0	0/0/0/2
Oregon	0/0/0/0	0/0/0/0	0/0/0/0	0/0/0/0	0/0/0/0	0/0/0/0	0/1/2/2
Pennsylvania	0/0/0/0	0/0/0/0	0/0/0/0	0/0/0/0	0/0/0/0	0/0/0/0	0/0/1/1
So. Carolina	0/0/0/0	0/0/0/0	0/0/0/0	0/0/0/0	0/0/2/0	0/0/2/0	2/2/0/0
Tennessee	0/0/0/0	0/0/0/0	0/0/0/0	0/0/0/0	0/0/0/0	0/0/0/0	0/0/1/1
Texas	0/0/0/1	0/0/0/0	0/0/0/0	0/0/0/0	0/0/3/1	0/0/3/2	1/4/7/8

STATE	TRANSFERS	CANCELLED OR TERMINATED	NOT RENEWED	REACQUIRED BY FRANCHISOR	LEFT THE SYSTEM OTHER	TOTAL FROM LEFT COLUMNS	FRANCHISES OPERATING
Utah	0/0/0/0	0/0/0/0	0/0/0/0	0/0/0/1	0/0/0/0	0/0/0/0	4/4/5/5
Wisconsin	0/0/0/0	0/0/0/0	0/0/0/0	0/0/0/0	0/0/0/0	0/0/0/0	0/0/1/1
TOTALS	1/0/1/1	0/1/0/0	0/0/0/0	0/0/0/1	1/1/9/4	2/2/10/6	12/25/30/33

Exhibit D contains a list of the names, addresses and telephone numbers of franchise locations and our Development Agents as of the filing date of this Offering Circular Exhibit I contains a list franchisees and Development Agents who were terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to business during the period October 1, 2004 through the filing date of this Offering Circular. Our predecessor communicated with all franchise locations and Development Agents within 10 weeks of the filing date of this Offering Circular.

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**STATUS OF COMPANY OWNED RESTAURANTS
AS OF SEPTEMBER 30, 2003, 2004, 2005 AND MARCH 14, 2006**

STATE	UNITS CLOSED DURING THE YEAR	UNITS OPENED DURING THE YEAR	TOTAL UNITS OPERATING AT THE END OF THE YEAR
Utah	0/0/0/0	0/0/0/	0/0/1/1

In November 2005, NYNYFI purchased the New York NY Fresh Deli franchised business located in South Jordan, Utah from a franchisee. We purchased the assets of this business in March 2006 and it operated as a company owned restaurant.

**PROJECTED OPENINGS DURING OUR
FISCAL YEAR ENDING DECEMBER 31, 2006**

State	FRANCHISE AGREEMENTS SIGNED BUT BUSINESS NOT OPEN	PROJECTED NEW FRANCHISED BUSINESSES IN THE NEXT FISCAL YEAR	PROJECTED COMPANY OWNED OPENINGS IN NEXT FISCAL YEAR
ALABAMA	2	1	0
ARIZONA	0	1	1
COLORADO	1	1	0
FLORIDA	3	2	0
IOWA	0	1	0
INDIANA	2	1	0
NEVADA	1	1	0
NEW MEXICO	2	1	0
NEW YORK	3	1	0
NORTH CAROLINA	2	1	0
PENNSYLVANIA	1	1	0
SOUTH CAROLINA	4	1	0
TEXAS	5	5	0
WASHINGTON	1	1	0
WISCONSIN	0	1	0

State	FRANCHISE AGREEMENTS SIGNED BUT BUSINESS NOT OPEN	PROJECTED NEW FRANCHISED BUSINESSES IN THE NEXT FISCAL YEAR	PROJECTED COMPANY OWNED OPENINGS IN NEXT FISCAL YEAR
TOTAL	27	19	1

ITEM 21.
FINANCIAL STATEMENTS

Attached as **Exhibit B** is our audited Balance Sheet of as March 13, 2006 together with audited Financial Statements for our predecessor, NYNYFI, for the fiscal years ended September 30, 2005, 2004 and 2003.

ITEM 22
CONTRACTS

Attached as **Exhibit G** is our Franchise Agreement. Attached as **Exhibit J** is a copy of our Franchisee Compliance Certification. Attached as **Exhibit F** is our Area Development Agent Agreement.

ITEM 23
RECEIPT

Attached at the back of this entire document are 2 copies of a Receipt, acknowledging receipt of this Offering Circular by you, together with its accompanying documents. Please sign and date both, keeping one for your files and returning the other to us.