

Franchise Agreement] If we adopt changes to the equipment standards that necessitate the addition of upgraded equipment or the removal of obsolete equipment, we will establish a schedule for you to implement the change. [§5(c) of the Franchise Agreement] There is no limit on the cost to bring the equipment to the level of compliance with the modified equipment standards. However, the costs will be taken into consideration when establishing the schedule for you to implement the change.

Site Selection. After we give you pointers on features to look for in a Store location, you must find at least three sites you consider acceptable. All of them must be located inside the trade area described in your Area Development Agreement. After you provide us information about each site, we will evaluate the information you submit and tell you which of them we favor or particularly disfavor. Our review process may or may not involve a physical site inspection. We will not take an unreasonable amount of time to review your site selections. However, we are not obligated to respond within a specified time. Based on our advice, you then finalize your selection, and we either approve or reject it. We will not unreasonably withhold our approval of a site, but can reject one we consider inappropriate. Although we reserve the right to accept or reject a Store's location, we will not select or designate a site for a Store. Consequently, you must actively participate in the site selection process. You have sole risk for your location's business and financial suitability.

Your Store must be located in a predominately Hispanic neighborhood. Other factors we consider in evaluating the suitability of proposed Store sites include (1) a site's visibility from adjacent traffic arteries, (2) ease of entry from and exit to adjacent streets, (3) traffic patterns on adjacent arteries, (4) the size and density of the population in the surrounding area, (5) the rental market in the area, and (6) the projected cost of leasehold improvements. The Store concept works best in a shopping center; we discourage our franchisees from selecting mall or free-standing locations.

The Development Agreement requires that you complete your development obligations by the Option Expiration Date we insert on the Development Agreement's signature page before you sign it. The date is usually 45 days after we sign the Development Agreement. If you cannot complete your obligations by that date, you can extend the Option Expiration Date one time. If you commit to develop more than one Store in your Development Agreement, you must sign a lease and open your Stores on or before the dates we specify in Exhibit B to your Development Agreement. We discuss the dates by which Stores after the first must open with you before we fill in the dates on Exhibit B to the Development Agreement. If you are unable to find an acceptable site, you will lose the option or development fee for that franchise.

We only sign the Franchise Agreement after you have signed the lease for your Store. The Franchise Agreement requires that you open your Store on or before the Scheduled Opening Date we insert on the Franchise Agreement's signature page, but contains no other time restrictions. We calculate the Scheduled Opening Date by estimating the time it should take you to finish out your Store, usually six to ten weeks from the time we sign the Franchise Agreement.

Typical Time Required. The length of time between execution of the Development Agreement and the opening of your first Store is typically five to seven months. Factors affecting this length of time include the selection and approval of the Store site, time required to obtain necessary permits, construction or remodeling of the facility, local ordinance and/or building code compliance, installation of equipment and signs, completion of our training program, delivery and stocking of inventory, and delaying events arising from factors outside your control. [§7(c) of the Development Agreement. The signature pages of the Development Agreement and Franchise Agreement state target dates, but not length of time.]

ITEM 12

TERRITORY

Area Development Agreement Provisions. The boundaries of the area in which you may locate your Store (called the "Development Area") depend on the population and other demographic features of the locale in which you want to locate your Store. Your Development Area may range from a sector of a large metropolitan area to the city limits of a smaller municipality.

To begin the process of defining your Development Area, you tell us the general vicinity in which you want to locate your Store. If you are an experienced restaurant operator who wants to operate more than one Store, and you satisfy our financial and experience standards for a multi-unit operator, we also discuss and jointly decide on the number of Stores you can develop under your Development Agreement. We then examine a map of the vicinity and ask you questions about the area's population and other demographic characteristics. Based on this information, we identify and describe the boundaries of an appropriately sized area. This description appears in your Development Agreement as the area inside which you may locate your Store (or Stores). The Development Agreement contains no provision that permits us to change the boundaries of your Development Area after they are established, unless you default in the performance of your development obligations.

Whether your Development Agreement covers one or several Stores, it will contain a schedule of the date by which you must open each Store. The Development Agreement requires that you sign a separate Franchise Agreement for each Store. The Development Agreement only governs your development rights; it grants no operating rights and is not the equivalent of a franchise for the Development Area.

During the time your Development Agreement remains in effect, we will not grant anyone else the right to develop or operate a Store in your Development Area, with one exception. The exception applies if you become a multi-Store operator and transfer your franchise for an operating Store to a new owner. In that case, we can allow the new owner to sign a Development Agreement for more Stores in the Development Area, and we can allow the new owner to relocate a Store inside the Development Area in accordance with the new owner's Franchise Agreement.

The competitive protection you enjoy under your Development Agreement relates to Stores and "Satellites," which we define as kiosks, booths, mobile dispensing units (such as a cart or customized RV) or similar installations at or from which pre-assembled pizzas can be baked in a portable oven. Although the Development Agreement gives you no right to open Satellites, it provides that neither we nor anyone else will open a Satellite in your Development Area while your development rights remain in effect.

The Development Agreement expressly excludes protection for Special Outlets, which we define as express units, mini-Stores, or similar installations that contain a full-size pizza oven and are located in a hospital, airport, sports arena, student center or other special use facility or in the food court of an enclosed shopping mall. The Development Agreement places no restrictions on our right to open and allow others to open Special Outlets in your Development Area.

Your competitive protection as a developer relates only to retail establishments that operate under the Pizza Patrón trade name; the Development Agreement imposes no restrictions on our right to operate or franchise establishments that operate under different trade names, or to offer our

proprietary products and Pizza Patrón memorabilia through department stores, supermarkets and similar establishments.

If you default under your Development Agreement, we may either cancel your development rights altogether, or allow other developers to build Stores in the Development Area at the same time you are pursuing development. After your Development Agreement expires or terminates, your exclusive right to develop Stores in the Development Area ends. We may then grant additional development rights and Store franchises in your Development Area and may open our own Stores there. This consequence follows even if you have completed your development obligations on time and in strict compliance with your Development Agreement. However, termination of your development rights does not affect the status of your franchise for any Store you are operating when the Development Agreement expires or terminates.

Franchise Agreement Provisions. The Franchise Agreement provides you competitive protection in a Trade Area around your Store in which we will not open or grant a franchise for another Store. Except in high-density population centers, a Store's Trade Area consists of the area inside a circle whose center lies at the Store's front door and whose radius extends precisely two miles from the circle's center. In densely populated cities, we can specify a Trade Area of less than two miles' radius, so long as the area contains a sufficient population of our target market customers to support a Store (typically 60,000 people). A Store's Trade Area always lies inside the Development Area we assign in the Development Agreement. The Franchise Agreement provides you no competitive protection at all from Pizza Patrón brand competitors located outside the physical boundary of your Store's Trade Area, whether or not these competitors market Pizza Patrón brand products and services in, provide catering in, or draw customers from your Trade Area.

A Store's Trade Area is not the equivalent of a franchised territory in which you may operate multiple units. The Franchise Agreement does not allow you to open more than one Store in your Trade Area or to relocate your Store within your Trade Area without our permission.

The competitive protection the Franchise Agreement provides relates to competing Stores and to Satellites (as defined in the section of this Item that describes the Development Agreement provisions). Although the Franchise Agreement gives you no right to open Satellites, it provides that neither we nor anyone else will open a Satellite in your Store's Trade Area.

The Franchise Agreement expressly excludes protection for Special Outlets (as defined in the section of this Item that describes the Development Agreement provisions). The Franchise Agreement places no restrictions on our right to open and allow others to open Special Outlets in your Store's Trade Area.

The Franchise Agreement expressly permits us and our affiliates to grant franchises, licenses and other concessions for retail establishments that operate in your Store's Trade Area under different trade names, even if these establishments sell the same products and services that your Store sells.

The Franchise Agreement expressly permits us and our affiliates to market our proprietary products and memorabilia into your Store's Trade Area through catalogues, Internet Web sites, telemarketing campaigns and other direct-order techniques. Also, the Franchise Agreement expressly permits us and our affiliates to distribute our proprietary products and memorabilia to business customers that are not affiliated with the Pizza Patrón franchise system. These non-affiliated customers may operate inside your Store's Trade Area; there are no geographic limitations

on the territory in which we or our affiliates may distribute proprietary products or memorabilia to non-affiliated customers. Further, non-affiliated customers may engage in direct competition with your Store; there are no restrictions on the type of merchandise or services a non-affiliated customer may offer.

The Franchise Agreement requires that we resolve all disputes between us by private negotiation, then mediation and, if those approaches fail, by binding arbitration. Thus, if we disagree over the distance we can locate another franchise from your Store, or whether we can allow a competing franchise or a non-affiliated customer to carry some of the products you offer, we are both committed to avoid litigation in solving the problem.

Continuation of the competitive protection the Franchise Agreement provides for your Store's Trade Area is not dependent on your achieving or satisfying contingencies such as sales volumes, market penetration or other goals.

You may alter the boundaries of your Store's Trade Area or relocate your Store only with our written permission. The Franchise Agreement permits you to relocate your franchise if you follow the same procedures you follow to select a site. You may only relocate your Store within the vicinity of its original Trade Area, and the new location may not infringe upon another Store's trade area. If your lease expires or the premises are condemned, you must re-open in the new location within 60 days after your Store closes. If you suffer a closing on account of a fire or other casualty, you must re-open in the new location within 120 days after the casualty occurs.

You may advertise your Store outside of its Trade Area, and you may offer catering service from your Store, with prior written approval. (We define catering as the on-site preparation and service of pizza and complementary menu items at church carnivals, school events, charity functions, community festivals, business gatherings, private parties and similar events that last for no more than five consecutive days.) You may not offer delivery service from your Store. (We define delivery as the delivery of cooked pizza in boxes to residential and commercial customers.)

The Franchise Agreement grants you no rights to acquire additional franchises within or contiguous to your Store's Trade Area. The Development Agreement alone embodies additional development and franchise acquisition rights.

Other than the factors set forth above there are no other circumstances that permit us to modify your Development Area or Trade Area.

We set no minimum sales quota, nor do we revise any of your rights if the population increases in your Development Area or Trade Area.

ITEM 13

TRADEMARKS

The following table identifies the principal trademarks and service marks we license you to use.

Description	Registration/ Application Number	Register	Registration/ Application Date
Pizza Patrón® (stylized letters)	2,178,219	Principal	August 4, 1998
Latino man logo	2,785,937	Principal	November 25, 2003

(shown on page 1 of this Offering Circular)			
Pizza Patrón (block letters)	2,836,030	Principal	April 27, 2004
Mas Pizza, Menos Dinero	2,863,831	Supplemental	July 13, 2004
Llégale!	78/466463	Principal	August 12, 2004
Pizza Lista	78/900200	Principal	June 5, 2006

The Pizza Patrón service mark in stylized block letters, the Latino man logo, and the Pizza Patrón block letters are registered on the Principal Register of the United States Patent and Trademark Office ("Trademark Office"). Mas Pizza, Menos Dinero® is registered on the Supplemental Register of the Trademark Office. We have applied for registration of Llégale!™ and Pizza Lista™ on the Principal Register of the Trademark Office. By not having a Principal Register federal registration for either Llégale! or Pizza Lista, we do not have certain presumptive legal rights granted by a registration.

We have not registered any of our marks under any state's trademark law, and have no intention of doing so.

There are no agreements in effect that limit our rights to use or license the use of our marks. The Franchise Agreement contains several restrictions on your right to use the marks. You may not use them to sell or distribute any goods or services we have not approved, nor as part of your company's name. You must use the marks only in the precise form we prescribe. You must stop using any mark that we determine is obsolete or does not represent the image we want to project.

You must report to us any infringing uses of the marks of which you become aware. We reserve the right to make a final decision to pursue infringement actions or other litigation, to conduct all legal proceedings relating to the marks, and to settle all infringement claims. Although not contractually obligated to protect our marks or your right to use them, as a matter of corporate policy, we defend our marks vigorously. We have no obligation to defend you in infringement actions or to indemnify you if you are forced to change or abandon your use of a mark because we lose an infringement action. Section 11(a)(1) of the Franchise Agreement contains a disclaimer by you of any interest in our marks, except that of a licensee.

Section 5 of the Franchise Agreement obligates you to conform to changes we may adopt to the Pizza Patrón system, concept or image, either voluntarily or as a result of our losing an infringement action.

There are no currently effective determinations of the Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court that might affect our ownership, use or licensing of any of the marks we currently use. Further, there are no pending interference, opposition or cancellation proceedings, and no pending litigation involving any of our principal marks that might affect our ownership, use or licensing of them. We have no knowledge of any superior prior rights or of any infringing uses of any of our principal marks.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We claim common law copyrights in our Operations Manual and in promotional literature related to our franchise program. See Item 11 for limitations on your use of the Operations Manual. We own no other patents or copyrights that are material to our franchisees.

The Franchise Agreement's Glossary contains a definition of "trade secrets". Trade secrets means our proprietary formulas and recipes, the components of our business system, the contents of the Operations Manual and of all memoranda and bulletins through which we convey changes in our Operations Manual, all training materials and computer programs we develop, and all confidential information we impart to you with respect to your Store's operation and management.

Our trade secrets include the formula for the spice blend for our pizza sauce, our recipes for pizza dough and pizza sauce, the procedures for preparing and cooking pizza, and other operating procedures. We do not disclose the formula for our proprietary spice blend to you; we disclose that formula only to the lab that blends the spices, subject to a confidentiality agreement.

We are not aware of any current infringing uses of any of our copyrights or trade secrets. Our right to use or license copyrighted materials and trade secrets is not materially limited by any agreement.

You must notify us if you become aware of infringements on the use of our Operations Manual or our trade secrets. You have the same obligations and restrictions on your use of the copyrighted materials as apply to your use of our marks. The same provisions regarding infringement of our marks apply to our copyrighted materials and trade secrets. See Item 13.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

If you are an individual, we encourage you to manage your Store personally, but do not require that you do. If you choose not to manage your Store, you must appoint an individual, called a General Manager, to assume personal responsibility for managing the Store's day-to-day operations. Your General Manager must be a full-time employee who either lives in the neighborhood where your Store will be located or agrees to move into the neighborhood and become active in the community. The General Manager must also complete our training program before you open your Store. You must ensure that each successive General Manager also meets our residency requirements and completes the training program.

If you are a corporation or other business entity, we do not require that you select one of your equity owners to manage your Store; you may appoint a General Manager with no equity interest as the senior manager. However, you must compensate the General Manager under a bonus program that we approve. We expect you to provide your General Manager a strong incentive to contribute to the Store's economic growth and its reputation in the neighborhood, and our evaluation of your bonus program will be based on its potential to achieve those goals. When and if you open a fourth Store, you must hire an Area Supervisor. Your Area Supervisor must be fluently bilingual in Spanish and English and must be experienced in the restaurant industry. Your Area Supervisor also must live in the state in which the Stores he or she supervises are located and must satisfy our criteria

and training requirements for Area Supervisors.

All Area Supervisors and General Managers must sign confidentiality agreements with you under which they agree to hold our trade secrets and the contents of our Operations Manual in strict confidence. If you are a business entity, each person who owns 15% or more of your equity must agree to be bound by certain provisions of the Franchise Agreement, including those relating to confidential treatment of our trade secrets (see Item 14) and to non-competition (see Item 17). These requirements apply whether or not an equity owner is involved in your Store's management.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

The Franchise Agreement obligates you to sell pizza made with our proprietary sauces and dough and in accordance with our proprietary recipes. You may not offer any other pizza products and you may only serve pizza in authentic Pizza Patrón carryout boxes. The Franchise Agreement also requires that you sell all food and beverage items included on our standard menu, as periodically revised. It also prohibits you from offering any foods, beverages or other merchandise that is not included on our authorized Store menu, as periodically revised, without first obtaining our written consent. We impose these requirements to control the quality and uniformity of the goods and services you and other franchisees may offer through use of our trade name and trademarks.

(1) A Pizza Patrón franchise relates to the retail operation of a single Store at a specific location. Without our prior written permission, you may not distribute at wholesale any of our proprietary or branded products (including pizza sauce, pizza dough or unbaked pizza), and you may not sell any raw or prepackaged pizza products or ingredients. At your request, we may permit you to provide catering services (the Franchise Agreement defines "catering" as the on-site preparation and service of pizza and complementary menu items at church carnivals, school events, charity functions, community festivals, business gatherings, private parties and similar events that last for no more than five consecutive days) but you may not provide catering services or sell pizza or other products or services at or from any location other than the Store without our prior written permission. You may not provide delivery service from your Store. Although there are no restrictions on the retail customers or trade area you may serve from your Store, as a practical matter you will be limited to serving retail customers who choose to visit the Store and to catering events in the neighborhood around the Store. See Item 12.

We have the right to add and delete items from the standard Store menu, and to add or delete memorabilia and other merchandise from the list of approved Store merchandise. There are no limits on our right to make these changes.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

The following tables list and summarize certain important provisions of the Franchise Agreement and the Development Agreement. You should read these provisions in the forms of Franchise Agreement and Development Agreement attached to this Offering Circular.

FRANCHISE AGREEMENT

PROVISION	SECTION OF FRANCHISE AGREEMENT	SUMMARY
a. Term of the franchise	§11(a)	The term is 10 years (or balance of seller's term, if a transfer is involved).
b. Renewal or extension of the term	§11(b)	If you are in full compliance, you can extend the franchise for an additional 10 years.
c. Requirements for you to renew or extend	§11(b) - (f)	You must give timely notice of your intent to renew, sign a current franchise agreement, and remodel to our new specifications.
d. Termination by you	None	
e. Termination by us without cause	None	
f. Termination by us with cause	§16	We can terminate the franchise only if you default.
g. "Cause" defined - defaults that can be cured	§§16(b) and 16(c)	For §16(b) defaults, you have 5, 10, 15, or 30 days to cure, depending on the type of default. For §16(c) defaults, you must voluntarily cure the default before we terminate.
h. "Cause" defined - defaults that cannot be cured	§16(d)	<ul style="list-style-type: none"> - breach of non-competition covenant or confidentiality restrictions - unauthorized transfer or abandonment - refusal to allow BCE Review - disabling or tampering with the Store's cash register or computer or with our ability to poll these devices by modem - revoking the automatic debit agreement under which we collect royalties and marketing fees, or closing the account from which we collect royalties and marketing fees without first setting up a new account - bankruptcy, insolvency or unsatisfied judgment of more than \$5,000 - we decide not to exercise our purchase option if you die and your heirs do not qualify to run the business - 3 or more events of default occur in a 12-month period

PROVISION	SECTION OF FRANCHISE AGREEMENT	SUMMARY
i. Your obligations on termination/nonrenewal	§§17 (a)-(j) ¹	Obligations include: - de-identification - payment of all sums due - assignment of phone numbers - payment of damages - honor our purchase option
j. Assignment of contract by us	§13(i)	We may assign to any reasonably competent company that assumes our obligations
k. "Transfer" by you - definition	§13(a) ¹	Includes any transfer of controlling interest in the franchise or franchisee and any sale of the Store's assets
l. Our approval of transfer by you	§§13(b)-(f) ¹	We have the right to approve all transfers. We have the right to investigate all proposed buyers.
m. Conditions for our approval of transfer	§13(b) ¹ §13(c) §13(d) §13(f)	You must be in full compliance with the FA. You must sell your complete interest in the franchise. Your buyer must qualify as a new franchisee, pay the transfer fee and sign our current franchise agreement. We must be satisfied with the transaction's financial aspects and receive certain releases.
n. Our right of first refusal to acquire your business	§§13(g) ¹ and 13(h)(3)	We have 30 days to accept or reject matching offers and 30 days to close the transaction; applies if you die or become disabled under certain circumstances.
o. Our option to purchase your business	§13(h)	Applies only if your heirs do not meet our requirements. See "p" below.
p. Your death or disability	§13(h) ¹	Management personnel evaluated for 120 days. If approved, new owners must sign a new guarantee. If not approved, new owners must present a qualified buyer within 120 days.
q. Non-competition covenants during the term of the franchise	§19 ¹	You must have no involvement in a competing business anywhere.

PROVISION	SECTION OF FRANCHISE AGREEMENT	SUMMARY
r. Non-competition covenants after the franchise is terminated or expires	§19 ¹	For two years after the franchise ends, you must have no involvement in a competing business in your DMA or in any other DMA where a Store exists or is under development.
s. Modification of the agreement	§26(b)	No modifications without a written agreement
t. Integration/merger clause	§27(a) ¹	
u. Dispute resolution by arbitration or mediation	§24 ¹	Parties must use best efforts to resolve and settle disputes by private negotiations, non-binding mediation or binding arbitration, except for intellectual property matters and for collection of royalties and other amounts you owe us.
v. Choice of forum	§24(a) ^{1 2}	Arbitration must take place in Dallas, Texas. Litigation <i>re</i> intellectual property takes place in Dallas, Texas. (This requirement may not be enforceable in some states. See the state-specific Amendment to the Franchise Agreement.)
w. Choice of law	§24 ¹	Texas law applies, except for U.S. Arbitration Act and Lanham Act. (This requirement may not be enforceable in some states. See the state-specific Amendment to the Franchise Agreement.)

- (1) Guarantors (your general partners or holders of 15% or more of your voting equity interests) are also bound by these provisions. They become bound by signing the Guaranty and Acknowledgment attached to the Franchise Agreement.
- (2) A franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

DEVELOPMENT AGREEMENT

PROVISION	SECTION OF DA	SUMMARY
a. Term of the Development Agreement	§2(a) and Signature Page	Term is based on time required to open the number of Stores you agree to develop in accordance with the time frame indicated in the development schedule.
b. (i) Extension of Option Expiration Date	§4	One 45-day extension if we confirm you used due diligence.
(ii) Extension of Scheduled Opening Date	§7	One 45-day extension if lease not signed or for reasons of force majeure (unavoidable delay).
(iii) Extension or renewal of the development term	§10(a)	Applies if you agree to develop more than one Store.
c. Requirements for you to renew or extend the Development Agreement term	§§10(b) and 10(c)	You must be in full compliance with Development Agreement and Franchise Agreements, meet financial criteria, and sign a new development agreement.
d. Termination by you	None	
e. Termination by us without cause	None	
f. Termination by us with cause	§11	We can terminate your exclusivity or your development rights if you default.
g. "Cause" defined - defaults that can be cured	None	
h. "Cause" defined - defaults that cannot be cured	§11	<ul style="list-style-type: none"> - you fail to timely sign approved lease - you sign an unapproved lease - you fail to open any Store by Scheduled Opening Date - you fail to meet development schedule - you fail to timely cure an Event of Default under a Franchise Agreement - you attempt to make an unapproved assignment of development or franchise rights - you negotiate or sign a lease/option to lease outside your development area
i. Your obligations on termination/nonrenewal	None	

PROVISION	SECTION OF DA	SUMMARY
j. Assignment of contract by us	N/A	
k. "Transfer" by you - definition	N/A	
l. Our approval of transfer by you	§§12(a) and 12(b)	You may only transfer to a corporation, limited liability company or partnership controlled by initial equity owners; otherwise you may not transfer development rights.
m. Conditions for our approval of transfer	§12(b)	Receipt of documentation and information re assignment and new owners; release from any retiring shareholder if we agree to release
n. Our right of first refusal to acquire your business	N/A	
o. Our option to purchase your business	N/A	
p. Your death or disability	§12(c)	An individual may devise by will or by laws of descent and distribution
q. Non-competition covenants during the term of the franchise	N/A	
r. Non-competition covenants after the franchise is terminated or expires	N/A	
s. Modification of the agreement	§16(b)	No modifications without a written agreement
t. Integration/merger clause	§17(a)	
u. Dispute resolution by arbitration or mediation	§§15(b) -15(d)	Parties shall use best efforts to resolve and settle disputes by private negotiations, non-binding mediation or binding arbitration.
v. Choice of forum	§15(c)	Arbitration must take place in Dallas, Texas. (This requirement may not be enforceable in some states. See the state-specific Amendment to the Development Agreement.)
w. Choice of law	§§15(a), 15(d)(vi)	Texas law applies, except for Federal Arbitration Act. (This requirement may not be enforceable in some states. See the state-specific Amendment to the Development Agreement.)

The following states have statutes that may supersede the Franchise Agreement, the Development Agreement and other related agreements in your relationship with us. These statutes

may affect the enforceability of provisions in the agreements relating to termination; transfer; renewal; covenants not to compete; choice of law and jurisdiction; venue selection; waivers and releases of claims; injunctive relief; waiver of rights to jury trial; punitive and liquidated damages and other remedies; arbitration; and discrimination between franchisees: Arkansas Code Ann. § 4-72-201 (Michie 1993); California Corp. Code §§ 31000 – 31516 (West 1994); Cal. Bus. & Prof. Code §§ 20000 – 20043 (West 1994); Connecticut Gen. Stat. § 42-133e (1994); Delaware Code Ann. Tit. 6 § 2552 (1993) Hawaii Rev. Stat. § 482E-1 – 482E-12 (1993); Illinois Rev. Stat. Ch. 815 para. 705/1 – 705/44 (1994); Indiana Code §§ 1 – 51 (1994); Ind. Code Ann. § 23-2-2.7 (West. 1994); Iowa Code § 523H.1 – 523H.17 (1994); Maryland Code Ann., Bus. Reg. §§ 14-201 – 14-233 (1994); Michigan Comp. Laws §§ 445.1501 – 445.1545 (1994); Minnesota Stat. §§ 80C.01 – 80C.22 (1994); Minn. Stat. §§ 80C.01 – 80C.14 (1994); Mississippi Code Ann. § 75-24-51 (1993) Missouri Ann. Stat. § 407.400 (Vernon 1994); Nebraska Rev. Stat. § 87-401 (1993); N.J. Stat. Ann. § 56:10-1 (West 1994); N.Y. Gen. Bus. Law §§ 680 – 695 (1994); N.D. Cent. Code § 51-19-01 (1993); Oregon Rev. Stat. §§ 650.005 – 650.085; Rhode Island Gen. Laws §§ 19-28.1-1 – 19-28.1-34 (1993); South Dakota Codified Laws Ann. §§ 37-5A-1 – 37-5A-87 (1994); Texas Rev. Civ. Stat. Ann. Art. 16.01 (1994); Virginia Code Ann. §§ 13.1-557 – 13.1-574; Washington Rev. Code §§ 19.100.010 - 19.100.940 (1994); Wisconsin Stat. §§ 553.01 – 553.78 (1996); Wis. Stat. §§ 135.01 – 135.07 (1984). These and other states may have fair practice laws and other civil statutes affecting contracts. There may also be state and federal court decisions that affect the enforcement of provisions in the Franchise Agreement, and other related agreements. Federal law may preempt these state laws and regulations with respect to arbitration.

We may challenge the enforceability of any state law listed above that declares void or unenforceable any provision in the Franchise Agreement by bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you initiate.

A provision in the Franchise Agreement that terminates the agreement on your bankruptcy may not be enforceable under Title 11, United States Code Section 101.

ITEM 18

PUBLIC FIGURES

We do not employ any public figure or celebrity in our management, nor do we use a public figure or celebrity to promote our franchises.

ITEM 19

EARNINGS CLAIMS

Following is information about five Stores owned and operated by Antonio Swad. Mr. Swad provided this information, and it is not audited. We will provide substantiation of the data we used in calculating the information upon receipt of a written request from you. Neither Mr. Swad nor we operate any other Stores.

	2001	2002	2003	2004	2005	2006
Oak Cliff	\$759,384	\$868,123	\$1,036,018	\$1,157,148	\$1,053,596	\$1,057,853
Pleasant Grove	\$584,202	\$726,168	\$821,707	\$756,039	\$843,239	\$1,060,489
Buckner ⁽¹⁾	\$-0-	\$-0-	\$132,029	\$509,374	\$572,837	\$660,741

East Jefferson ⁽²⁾	\$-0-	\$-0-	\$-0-	\$-0-	\$512,224	\$586,164
Hampton & Illinois ⁽³⁾	\$-0-	\$-0-	\$-0-	\$-0-	\$155,308	\$728,728

(1) This Store opened on August 26, 2003.

(2) This Store opened on October 5, 2004.

(3) This Store opened on September 14, 2005.

IF YOU ARE A NEW PIZZA PATRÓN FRANCHISEE, YOUR STORE'S FINANCIAL RESULTS ARE LIKELY TO DIFFER FROM THOSE OF MR. SWAD'S STORES. In determining how relevant his Stores' sales data may be to your situation, we caution you to keep the following points in mind. We also urge you to discuss and analyze this information with your own business, financial and legal advisers.

- We derived all Store sales data from information Mr. Swad submitted. This information is unaudited, and we have relied on his assurances that the information is accurate and reliable.
- All the Stores are located in Dallas, Texas, a market with a population of several million people, including a sizeable Hispanic community. We have not analyzed the sales data to determine what bearing, if any, the size of the population in a Store's broader market has on Store sales.
- All the Stores are located in Hispanic-majority communities, which we assume is a significant factor in their success.
- The information relates only to sales; you can draw no inferences with respect to any Store's profitability.

Following are profit and loss statements from Mr. Swad's Stores for 2001, 2002, 2003, 2004, 2005 and 2006. We provide you this information, not as an indication of the results your Store may achieve, but to provide you more details about the types of expenses Stores incur and to enable you to calculate the possible ranges of these expenses as a percentage of sales.

For many reasons, the results of operations you experience in your Store may differ significantly from Mr. Swad's experience. Among other factors, he has operated Stores since 1986 and has vast experience in Store management. The Stores are located in well-established shopping centers that cater to Hispanic customers. The Stores also benefit from the relatively mild winters that Dallas, Texas experiences. The statements include the salary and benefits of a Store manager and assistant managers, but the compensation scale in Dallas, Texas may not reflect market rates in your area. Further, Mr. Swad does not pay the 5% royalty on his sales that franchisees pay on their sales. See Item 6.

Oak Cliff Store	2001	2002	2003	2004	2005	2006
Sales	\$759,384	\$868,123	\$1,036,018	\$1,157,148	\$1,053,596	\$1,057,853
Cost of sales	\$258,679 ¹	\$261,490 ¹	\$358,929 ¹	\$391,372 ¹	\$345,287 ¹	\$306,831 ¹

Oak Cliff Store	2001	2002	2003	2004	2005	2006
General and administrative:						
Salaries, hourly wages and bonuses	\$169,766 ²	\$172,473 ²	\$200,236 ²	\$219,992 ²	\$182,415 ²	\$176,257 ²
Rent and other leasehold expenses	\$12,420	\$13,382	\$13,510	\$13,957	\$13,873	\$16,401
Legal and accounting	\$1,055	\$500	\$0	\$0	\$0	\$0
Auto and travel	\$5,175	\$4,258	\$4,500	\$4,688	\$4,777	\$6,230
Insurance	\$9,188	\$5,676	\$6,091	\$14,964	\$16,977	\$21,210
Payroll and other taxes	\$12,955	\$12,086	\$16,185	\$19,555	\$16,789	\$15,652
Operating expenses ³	\$1,482	\$2,001	\$1,484	\$4,375	\$3,992	\$5,966
Advertising	\$0	\$600	\$17,958	\$23,928	\$22,303	\$21,722
Utilities	\$13,461	\$11,224	\$13,027	\$13,068	\$16,886	\$19,857
Telephone	\$2,270	\$1,686	\$2,236	\$1,339	\$1,784	\$2,540
Repairs and maintenance	\$2,471	\$1,873	\$6,800	\$6,981	\$1,093	\$6,584
	\$230,243	\$225,759	\$282,027	\$322,846	\$280,889	\$292,419
Depreciation and amortization	\$1,413	\$12,174	\$35,179	\$7,908	\$3,150	\$2,599
Income before income taxes ⁴	\$269,049	\$368,700	\$359,883	\$435,022	\$421,270	\$456,004

¹ Food cost as a percentage of sales was 34.1% in 2001; 30.1% in 2002; 34.7% in 2003; 33.8% in 2004; 33.1% in 2005; and 29.0% in 2006. Our target food cost is 32% of sales.

² Store labor expense was 22.4% in 2001; 19.9% in 2002; 19.3% in 2003; 19% in 2004; 18.8% in 2005; and 18.0% in 2006. Our target labor expense is 23% of sales.

³ Operating expenses includes cost of classified employment ads, small equipment purchases and other miscellaneous items.

⁴ Mr. Swad's expenses do not include a royalty of 5% of gross sales that you must pay. Had Mr. Swad paid a 5% royalty, his royalty expense would have been \$37,969 in 2001; \$43,406 in 2002; \$51,801 in 2003; \$57,857 in 2004; \$52,680 in 2005; and \$52,893 in 2006.

Pleasant Grove Store	2001	2002	2003	2004	2005	2006
Sales	\$584,202	\$726,168	\$821,707	\$756,039	\$843,239	\$1,060,489
Cost of sales	\$203,155 ¹	\$226,726 ¹	\$277,731 ¹	\$265,949 ¹	\$291,780 ¹	\$319,193
General and administrative:						
Salaries, hourly wages and bonuses	\$156,530 ²	\$157,259 ²	\$152,098 ²	\$146,735 ²	\$158,919 ²	\$181,996 ²
Rent and other leasehold expenses	\$15,167	\$15,328	\$16,136	\$17,179	\$18,825	\$18,568
Legal and accounting	\$1,055	\$0	\$0	\$0	\$0	\$0
Auto and travel	\$5,175	\$4,258	\$4,500	\$4,688	\$4,777	\$6,230
Insurance	\$9,758	\$12,433	\$10,224	\$15,811	\$12,213	\$11,067
Payroll and other taxes	\$14,766	\$34,389	\$14,305	\$13,562	\$15,197	\$15,975
Operating expenses ³	\$1,318	\$2,630	\$2,448	\$6,013	\$5,480	\$6,861
Advertising	\$0	\$600	\$14,036	\$17,607	\$19,656	\$21,975
Utilities	\$11,382	\$8,549	\$12,602	\$10,851	\$15,798	\$16,205
Telephone	\$2,301	\$1,661	\$2,423	\$1,322	\$1,889	\$2,362
Repairs and maintenance	\$4,080	\$3,683	\$4,013	\$3,267	\$9,712	\$8,621
	\$221,532	\$240,790	\$232,785	\$237,034	\$262,466	\$289,860
Depreciation and amortization	\$5,096	\$25,385	\$13,133	\$9,817	\$8,616	\$2,525
Income before income taxes ⁴	\$154,419	\$233,267	\$298,058	\$243,238	\$280,377	\$448,911

¹ Food cost as a percentage of sales was 34.8% in 2001; 31.2% in 2002; 33.8% in 2003; 35.2% in 2004; 34.60% in 2005; and 30.1% in 2006. Our target food cost is 32% of sales.

² Store labor expense was 26.8% of sales in 2001; 21.7% in 2002; 18.5% in 2003; 19.4% in 2004; 20.4% in 2005; and 18.6% in 2006. Our target labor expense is 23% of sales.

³ Operating expenses includes cost of classified employment ads, small equipment purchases and other miscellaneous items.

⁴ Mr. Swad's expenses do not include a royalty of 5% of gross sales that you must pay. Had Mr. Swad paid a 5% royalty, his royalty expense would have been \$29,210 in 2001; \$36,308 in 2002; \$41,085 in 2003; \$37,802 in 2004; \$42,162 in 2005; and \$53,024 in 2006.

Buckner Store ¹	2001	2002	2003	2004	2005	2006
Sales			\$132,029	\$509,374	\$572,837	\$660,741
Cost of sales			\$52,492 ²	\$178,529 ²	\$198,798 ²	\$201,534
General and administrative:						
Salaries, hourly wages and bonuses			\$35,048	\$114,124	\$121,868	\$113,882
Rent and other leasehold expenses			\$8,445	\$32,629	\$34,040	\$35,678
Legal and accounting			\$0	\$0	\$0	\$0
Auto and travel			\$4,500	\$4,688	\$4,777	\$6,230
Insurance			\$1,735	\$13,605	\$10,849	\$6,243
Payroll and other taxes			\$2,904	\$10,800	\$11,701	\$11,084
Operating expenses ⁴			\$383	\$2,421	\$3,443	\$5,870
Advertising			\$3,990	\$11,583	\$12,829	\$14,604
Utilities			\$2,336	\$10,625	\$15,443	\$17,251
Telephone			\$346	\$2,381	\$2,866	\$3,587
Repairs and maintenance			\$861	\$1,463	\$936	\$1,004
			\$60,548	\$204,318	\$218,752	\$215,433
Depreciation and amortization			\$23,226	\$6,594	\$10,084	\$3,647
Income before income taxes ⁵			\$(4,237)	\$119,932	\$145,203	\$240,127

¹ This Store opened August 26, 2003.

² Food cost as a percentage of sales was 39.8% in 2003; 35.05% in 2004; 34.7% in 2005; and 30.5% in 2006. Our target food cost is 32% of sales.

³ Store labor expense was 26.5% of sales in 2003; 22.4% in 2004; 23.1% in 2005; and 18.8% in 2006. Our target labor expense is 23% of sales.

⁴ Operating expenses includes cost of classified employment ads, small equipment purchases and other miscellaneous items.

⁵ Mr. Swad's expenses do not include a royalty of 5% of gross sales that you must pay. Had Mr. Swad paid a 5% royalty, his royalty expense would have been \$6,601 in 2003; \$25,469 in 2004; \$28,642 in 2005; and \$33,037 in 2006.

East Jefferson Store ¹	2002	2003	2004	2005	2006
Sales				\$512,224	\$586,164
Cost of sales				\$174,851 ²	\$181,129
General and administrative:					
Salaries, hourly wages and bonuses				\$112,708 ³	\$114,448
Rent and other leasehold expenses				\$30,084	\$30,015
Legal and accounting				\$0	\$0
Auto and travel				\$4,777	\$6,230
Insurance				\$5,948	\$4,197
Payroll and other taxes				\$10,879	\$10,709
Operating expenses ⁴				\$3,175	\$5,945
Advertising				\$12,032	\$13,022
Utilities				\$11,454	\$15,638
Telephone				\$2,059	\$2,504
Repairs and maintenance				\$1,827	\$1,541
				\$194,943	\$204,249
Depreciation and amortization				\$1,233	\$733
Income before income taxes ⁵				\$141,197	\$200,053

¹ This Store opened on October 5, 2004.

² Food cost as a percentage of sales was 34.1% in 2005 and 30.9% in 2006. Our target food cost is 32% of sales.

³ Store labor expense was 23.8% of sales in 2005 and 21.1% in 2006. Our target labor expense is 23% of sales.

⁴ Operating expenses includes cost of classified employment ads, small equipment purchases and other miscellaneous items.

⁵ Mr. Swad's expenses do not include a royalty of 5% of gross sales that you must pay. Had Mr. Swad paid a 5% royalty, his royalty expense would have been \$25,611 in 2005 and \$29,308 in 2006.

Hampton & Illinois Store ¹	2002	2003	2004	2005	2006
Sales				\$155,308	\$728,728
Cost of sales				\$56,188 ²	\$213,515
General and administrative:					
Salaries, hourly wages and bonuses				\$39,987 ³	\$141,842
Rent and other leasehold expenses				\$1,643	\$12,856
Legal and accounting				\$0	\$0
Auto and travel				\$1,330	\$6,230
Insurance				\$1,697	\$5,927
Payroll and other taxes				\$3,180	\$12,914
Operating expenses ⁴				\$3,023	\$6,575
Advertising				\$5,121	\$17,496
Utilities				\$4,674	\$21,566
Telephone				\$1,426	\$2,200
Repairs and maintenance				\$243	\$837
				\$62,324	\$228,443
Depreciation and amortization				\$61,668	\$4,414
Income before income taxes ⁵				-\$24,872	\$282,356

¹ This Store opened on September 14, 2005.

² Food cost as a percentage of sales was 36.2% in 2005 and 29.3% in 2006. Our target food cost is 32% of sales.

³ Store labor expense was 27.8% of sales in 2005 and 21.0% in 2006. Our target labor expense is 23% of sales.

⁴ Operating expenses includes cost of classified employment ads, small equipment purchases and other miscellaneous items.

⁵ Mr. Swad's expenses do not include a royalty of 5% of gross sales that you must pay. Had Mr. Swad paid a 5% royalty, his royalty expense would have been \$7,765 in 2005 and \$36,436 in 2006.

Except for the information presented above, we do not use or furnish statements of actual, average, projected or forecasted sales, costs, profits or earnings in marketing our franchises. We will not guarantee, nor do we represent, that you will or can expect to attain any specific amount or range of sales, profits or earnings from the operation of your Store. Actual results may vary from Store to Store, and we cannot estimate the results of any franchisee.

Except for the information presented above, we do not authorize any of our officers, employees or sales representatives to make any claims, statements or representations regarding the sales, costs, profits or earnings, or the prospects or chances of success, that you can expect to achieve or that any other franchisee has achieved. We specifically instruct our representatives not to make such claims, statements or representations, and you are cautioned not to rely on any claims,

statements or representations any person makes in disregard of these instructions.

ITEM 20

**INFORMATION REGARDING FRANCHISES
OF THE FRANCHISOR**

We began offering franchises in November 2002 and awarded our first franchise in April 2003. We have never terminated or refused to renew a franchise; no franchise has been terminated, and no franchisee has failed to communicate with us during the 10 weeks preceding the date of this Offering Circular.

FRANCHISED STORES - STATUS SUMMARY FOR DECEMBER 31, 2004/2005/2006							
STATE	Transfers	Canceled or Terminated	Not Renewed	Reacquired by Franchisor	Left the System Other	Total from Left Columns	Franchises Operating at Year End
Arizona	0/0/8	0/0/0	0/0/0	0/0/0	0/0/0	0/0/8	5/8/8
California	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/1/2
Colorado	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/2/2
Nevada	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/1
Texas	0/2/0	0/0/0	0/0/0	0/0/0	0/0/0	0/2/0	28/38/46
TOTALS	0/2/8	0/0/0	0/0/0	0/0/0	0/0/0	0/2/8	34/48/59

The following table presents information about the development of company-owned Stores during the three years ended December 31, 2004, 2005, and 2006:

COMPANY-OWNED STORES¹ - STATUS SUMMARY FOR 2004/2005/2006					
STATE	OPENED DURING YEAR	CLOSED DURING YEAR	REACQUIRED DURING YEAR	SOLD TO FRANCHISEES	STORES OPERATING AT END OF PERIOD
Texas	1/1/0	0/0/0	0/0/0	1/0/0	4/5/5
TOTALS	1/1/0	0/0/0	0/0/0	1/0/0	4/5/5

¹ These Stores owned and operated by Antonio Swad, our founder.

During 2007, we currently expect to sell approximately 63 franchises, 20 of which we believe will open during the year. The following table shows the geographical distribution of the franchises we expect to sell and the Stores we expect franchisees to open in 2007. We currently plan to open one company-owned Store in 2007.

STATE	FRANCHISE AGREEMENT SIGNED IN 2007, WITH RELATED STORE OPEN AT YEAR END	FRANCHISE AGREEMENT SIGNED IN 2007, BUT RELATED STORE NOT OPEN BY YEAR END	PROJECTED COMPANY-STORE OPENINGS IN 2007
Arizona	0	0	0
California	7	40	0
Colorado	1	1	0
Florida	2	5	0
Georgia	2	2	0
Illinois	4	8	0
Nevada	1	2	0
New Mexico	0	0	0
New York	0	0	0
Oklahoma	0	0	0
Texas	3	5	1
Wisconsin	0	0	0
TOTALS	20	63	1

Attached to this Offering Circular as Exhibit G is a list of our franchisees.

One franchisee, Lee Cohn (Grupo Pizza de Arizona), transferred his eight Stores and left the system in 2006. Mr. Cohn's last known home address is 4455 E. Camelback Road, C-135, Phoenix, Arizona 85018. His phone number is 602-955-0525.

ITEM 21 FINANCIAL STATEMENTS

The financial statements of Pizza Patrón, Inc. listed below appear in Exhibit A to this Offering Circular.

Audited Statements

Independent Auditors' Report

Balance Sheets at December 31, 2006, 2005 and 2004

Statements of Operations For the Years Ending December 31, 2006, 2005 and 2004

Statements of Changes in Stockholder's Equity For the Years Ending December 31, 2006, 2005 and 2004

Statements of Cash Flows For the Years Ending December 31, 2006, 2005 and 2004

Notes to Financial Statements

ITEM 22

CONTRACTS

Forms of the contracts listed below are attached to this Offering Circular as Exhibits B and C:

- B. Development Agreement
- C. Franchise Agreement

ITEM 23

RECEIPT

-- The execution copies of this receipt are attached as the last two pages of this Offering Circular following the exhibits.