

APR 20 2010

FRANCHISE DISCLOSURE DOCUMENT



Blimpie of California, Inc.
a California corporation
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As a BLIMPIE franchisee, you will operate a quick-casual restaurant using the marks “Blimpie®” and “Blimpie Subs & Salads®.”

The total investment necessary to begin operation of a traditional BLIMPIE restaurant ranges from \$150,232 to ~~\$398,700~~ \$379,400. This includes \$20,000 that must be paid to us (\$18,000 initial franchise fee and ~~\$2,000~~ \$1,000 lease review fee).

The total investment necessary to begin operation of a non-traditional BLIMPIE restaurant ranges from \$93,732 to ~~\$380,400~~ \$379,400. This includes \$10,000 to \$12,000 that must be paid to us (\$10,000 initial franchise fee and \$0 to ~~\$2,000~~ \$1,000 lease review fee.).

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient to you. To discuss the availability of disclosures in different formats, contact Anthony Kern, 2172 Castle Rock Circle, Corona, CA 92880, (909) 772-1541, anthonyk@blimpieca.com.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as “A Consumer's Guide to Buying a Franchise,” which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: ~~April 29, 2009~~ April 19, 2010

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit K for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO ARBITRATE WITH US ONLY WHERE WE ARE HEADQUARTERED (CURRENTLY, NEW YORK). IT MAY COST MORE TO ARBITRATE WITH US IN NEW YORK. CERTAIN LOCAL LAWS MAY SUPERSEDE THIS REQUIREMENT.
2. UNDER A TRADEMARK DISTRIBUTION AGREEMENT WITH KBI HOLDINGS, LLC., WE HAVE THE RIGHT TO OPEN AND OPERATE BLIMPIE RESTAURANTS, AND TO FRANCHISE OTHERS TO DO SO, IN CERTAIN PARTS OF THE STATE OF CALIFORNIA. IF THE LICENSE AGREEMENT TERMINATES, WE WOULD NO LONGER HAVE THE RIGHT TO OFFER THESE FRANCHISES.
3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We may use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should make sure to do your own investigation of the franchise.

California Effective Date: ~~May 22, 2009~~

CALIFORNIA NOTICE

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

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