



**MINNESOTA**  
DEPARTMENT OF  
**COMMERCE**



85 7th Place East, Suite 500  
St. Paul, Minnesota 55101-2198  
[www.commerce.state.mn.us](http://www.commerce.state.mn.us)  
651.296.4026 FAX 651.297.1959  
An equal opportunity employer

April 19, 2012

PAUL STRASEN  
NOODLES & COMPANY  
520 ZANG STREET  
BROOMFIELD, CT 80021

Re: F-5695  
NOODLES & COMPANY  
NOODLES & COMPANY F/A

Dear Mr. Strasen:

The Annual Report has been reviewed and is in compliance with Minnesota Statute Chapter 50C and Minnesota Rules Chapter 2860.

This means that there continues to be an effective registration statement on file and that the franchisor may offer and sell the above-referenced franchise in Minnesota.

The franchisor is not required to escrow franchise fees, post a Franchise Surety Bond or defer receipt of franchise fees during this registration period.

As a reminder, the next annual report is due within 120 days after the franchisor's fiscal year end, which is December 31, 2012.

Sincerely,

MIKE ROTHMAN  
Commissioner

By:

Daniel Sexton  
Commerce Analyst Supervisor  
Registration Division  
(651) 296-4520

MR:DES:dlw

FRANCHISE REGISTRATION APPLICATION

Minnesota

State of Minnesota  
Dept. of Commerce

FILE NO. F-5695

APR 06 2012  
Rec'd \$ 250

(Insert file number of previous filings of Applicant, if any)

FEE: \$200.00  
(To be enclosed by Applicant at time Application is initially filed)

DATE OF APPLICATION: April 5, 2012

APPLICATION FOR (Check one only):

REGISTRATION OF AN OFFER OR  
SALE OF FRANCHISES

REGISTRATION RENEWAL  
STATEMENT/ANNUAL REPORT

AMENDMENT NUMBER  TO APPLICATION

POST-EFFECTIVE AMENDMENT

FILED UNDER SECTION \_\_\_\_\_

PRE-EFFECTIVE AMENDMENT

DATED \_\_\_\_\_

1. Name of Franchisor:

Noodles & Company

2. Name under which the Franchisor is doing or intends to do business:

Noodles & Company

3. Franchisor's principal business address:

520 Zang Street, Suite D, Broomfield, CO 80021

4. Name and address of Franchisor's agent in the State of Minnesota authorized to receive process:

Minnesota Commissioner of Commerce  
85 7<sup>th</sup> Place East, Suite 500  
St. Paul, MN 55101

5. Name, address and telephone number of subfranchisors, if any, for this state:

None

6. Name, address and telephone number of person to whom communications regarding this application should be directed:

Paul Strasen  
Noodles & Company  
520 Zang Street  
Broomfield, CO 80021

Telephone: (720) 214-1921

4-19-12  
AS  
12/30

# noodles & company

April 18, 2012

Minnesota Dept of Commerce  
Attn: Daniel E. Sexton  
85 7<sup>th</sup> Place East, Suite 500  
St. Paul, MN 55101-2198

RECEIVED

APR 23 2012

MAILROOM

RE: F-5695, Noodles & Company

Dear Mr. Sexton:

I am writing in response to your letter of April 11, 2012 requesting that we either arrange for impoundment of franchise fees, post a surety bond or defer receipt of franchise fees, based on your analysis of our audited financial statements for the year ended January 3, 2012.

We believe that your focus on only Noodles & Company's (the "Company") current assets/current liabilities ratio is too narrow based on the financial wherewithal demonstrated in our financial statements and we respectfully request that you agree to waive any such requirement for Noodles & Company.

The Company is a substantial restaurant operating company that generates significant earnings and cash flow and has substantial financial resources. As shown in our financial statements, at January 3, 2012, the Company operated 239 restaurants, recognized over \$250,000,000 in revenue and generated approximately \$28,000,000 in cash from operations and the Company has a net worth in excess of \$7,500,000.

The Company had available at year end approximately \$40 million of undrawn borrowing capacity under its line of credit with a group of commercial banks, maturing in 2016. The Company has at all times been in compliance with its covenants under the credit agreement.

Your letter indicates that you have considered the Company's excess of current liabilities (approximately \$20,800,000 at January 3, 2012) over its current assets (approximately \$12,900,000 at January 3, 2012) in making your request for us to lodge security or defer fees. However, virtually all restaurant operating companies have substantial current liabilities in excess of current assets because of the nature of their business: restaurant meals are sold for cash or credit payable through promptly funded credit card receipts, none of which result in accounts receivable on a company's books, while amounts incurred for salaries and wages, and for the cost of goods, are payable in arrears after the goods or services are provided, resulting in accounts payable and accrued expenses that are inevitably large relative to the current assets.

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