

## FRANCHISE DISCLOSURE DOCUMENT

**Sbarro LLC**  
**(a New York limited liability company)**  
**401 Broadhollow Road**  
**Melville, NY 11747**  
**631-715-4100**  
**www.sbarro.comwww.sbarro.com**

Sbarro offers (a) franchises for (i) new Sbarro Restaurants, and (ii) certain company-owned Sbarro Restaurants ("Conversion Restaurants"); and (b) licenses for Sbarro Concessions ("Sbarro Concessions"). A Franchisee will operate an Italian style restaurant, featuring Italian foods and related items. A Licensee will operate a food service facility offering Italian foods at an institution, such as a college campus or hospital, or captive market location such as a highway rest stop.

The total investment necessary to begin operation of a Sbarro Restaurant franchised business is between ~~\$358,500~~337,000 and ~~\$921,500~~700,000. This includes ~~\$35,000~~20,000 to ~~\$55,000~~30,000 that must be paid to the franchisor or its affiliate(s). The total investment necessary to begin operation of a Conversion Restaurant franchised business is between ~~\$332,500~~312,500 and ~~\$719,000~~709,000. This includes ~~\$40,000~~20,000 to ~~\$41,000~~, plus purchase of the Restaurant assets (\$225,000 to \$560,000) that must be paid to the franchisor or its affiliate(s). The total initial investment necessary to begin operation of a licensed Sbarro Concession franchised business is between ~~\$279,000~~264,000 and ~~\$941,500~~716,500. This includes ~~\$20,000~~to \$30,000 to ~~\$45,000~~ that must be paid to the franchisor or its affiliate(s).

This Disclosure Document summarizes certain provisions of your license 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, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this Disclosure Document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact ~~Kim Klee~~Patricia Monasterio at 401 Broadhollow Road, Melville, New York 11747; (631) 715-4100.

The terms of your contract will govern your franchise relationship. Do not rely on the Disclosure Document alone to understand your contract. Read ~~all of your~~ entire 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, D.C. 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 also be laws on franchising in your state. Ask your state agencies about them.

Date of Issuance: ~~May 15, 2012~~10, 2013

WP22269424.DOC

## 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 I for information about Sbarro, 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 AND LICENSE AGREEMENT REQUIRE THAT ALL DISAGREEMENTS BE LITIGATED IN NEW YORK. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN NEW YORK THAN IN YOUR HOME STATE.
- 2) THE FRANCHISE AGREEMENT AND LICENSE AGREEMENT STATE THAT NEW YORK LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 3) IN THE EVENT OF TERMINATION DUE TO YOUR DEFAULT, LIQUIDATED DAMAGES WILL BE REQUIRED.
- 4) PLEASE NOTE THAT 8065% OF OUR ASSETS ARE INTANGIBLE. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.
- 5) PLEASE NOTE THAT SPOUSES OF FRANCHISE OWNERS MUST BE BOUND BY THE TERMS OF THE FRANCHISE AGREEMENT, PLACING PERSONAL ASSETS AT RISK.
- ~~6) AS DISCUSSED IN NOTE 1 TO THE CONSOLIDATED FINANCIAL STATEMENTS, SBARRO, INC. FILED A PETITION ON APRIL 4, 2011 WITH THE UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF NEW YORK FOR REORGANIZATION UNDER THE PROVISIONS OF CHAPTER 11 OF THE BANKRUPTCY CODE. SBARRO, INC.'S JOINT PLAN OF REORGANIZATION AND RELATED DISCLOSURE STATEMENT WERE SUBSTANTIALLY CONSUMMATED ON NOVEMBER 27, 2011 AND SBARRO, INC. EMERGED FROM BANKRUPTCY. IN CONNECTION WITH ITS EMERGENCE FROM BANKRUPCTY, SBARRO, INC. ADOPTED FRESH START ACCOUNTING.~~
- 7) THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

State registration effective dates are listed on the following State Registrations page.

**SBARRO LLC  
STATE REGISTRATIONS**

This Disclosure Document is registered, on file, exempt from registration, or otherwise effective in the following states with franchise registration and disclosure laws:

<b>State</b>	<b>Effective Date</b>
California	June 13, 2012
Hawaii	
Illinois	February 3, 2012, as amended May 23, 2012
Indiana	
Maryland	June 20, 2012
Michigan	January 27, 2012
Minnesota	May 23, 2012
New York	June 18, 2012
North Dakota	May 24, 2012
Rhode Island	February 23, 2012, as amended June 7, 2012
South Dakota	May 23, 2012
Utah	February 2, 2012
Virginia	
Washington	June 6, 2012
Wisconsin	May 23, 2012

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