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SAN FRANCISCO

FRATELLI RESTAURANTS LLC '07 APR 20 11 51

118 McAllister Avenue, Suite B
Kentfield, California 94904
(415) 259-5668
www.trefratelli.com

**INFORMATION FOR PROSPECTIVE FRANCHISEES
REQUIRED BY THE FEDERAL TRADE COMMISSION**

TO PROTECT YOU, WE'VE REQUIRED YOUR FRANCHISOR TO GIVE YOU THIS INFORMATION. WE HAVEN'T CHECKED IT, AND DON'T KNOW IF IT'S CORRECT. IT SHOULD HELP YOU MAKE UP YOUR MIND. STUDY IT CAREFULLY. WHILE IT INCLUDES SOME INFORMATION ABOUT YOUR CONTRACT, DON'T RELY ON IT ALONE TO UNDERSTAND YOUR CONTRACT. READ ALL OF YOUR CONTRACT CAREFULLY. BUYING A FRANCHISE IS A COMPLICATED INVESTMENT. TAKE YOUR TIME TO DECIDE. IF POSSIBLE, SHOW YOUR CONTRACT AND THIS INFORMATION TO AN ADVISOR, LIKE A LAWYER OR AN ACCOUNTANT.

IF YOU FIND ANYTHING YOU THINK MAY BE WRONG OR ANYTHING IMPORTANT THAT'S BEEN LEFT OUT, YOU SHOULD LET US KNOW ABOUT IT. IT MAY BE AGAINST THE LAW.

THERE MAY ALSO BE LAWS ON FRANCHISING IN YOUR STATE. ASK YOUR STATE AGENCIES ABOUT THEM.

FEDERAL TRADE COMMISSION
Washington, D.C. 20580

Date of Issuance: June 16, 2006

Revised Date of Issuance: October 2, 2006



FRANCHISE OFFERING CIRCULAR

FRATELLI RESTAURANTS LLC

118 McAllister Avenue, Suite B
Kentfield, California 94904
(415) 259-5668
www.trefratelli.com

As a franchisee, you will operate a restaurant featuring distinctive Northern Italian cuisine with noted California and Latin American influences which can either be a Full Service Restaurant or a Piccolo Restaurant.

In addition to two types of Tre Fratelli Restaurants, we also offer two types of franchise programs:

1. A single Tre Fratelli Restaurant. The initial Franchise Fee is \$20,000 for a Piccolo Restaurant and \$40,000 for a Full Service Restaurant. The estimated initial investment, including the Franchise Fee, for a Piccolo Restaurant ranges from \$114,375 to \$1,988,417. The estimated initial investment, including the Franchise Fee, for a Full Service Restaurant ranges from \$299,250 to \$5,728,800.

2. Multiple Tre Fratelli Restaurants within a defined geographic area. The Development Fee is equal to \$15,000 for each additional Full Service Restaurant you agree to open plus \$7,500 for each additional Piccolo Restaurant you agree to open. For example, assuming a Development Agreement for the right to develop 5 Franchised Restaurants, including 3 Full Service Restaurants and 2 Piccolo Restaurants, assuming you agree to develop a Full Service Restaurant first, you will pay a discounted initial franchise fee of \$30,000 and a Development Fee of \$45,000 (\$15,000 + \$15,000 + \$7,500 + \$7,500). Your Development Fee and estimated initial investment to operate as a Developer varies based on the number and type of Franchised Restaurants which you and we agree you will develop. Based on the above example using 5 Franchised Restaurants, including 3 Full Service Restaurants and 2 Piccolo Restaurants, your estimated initial investment ranges from \$333,625 to \$7,561,300.

RISK FACTORS:

1. THE FRANCHISE AGREEMENT REQUIRES THAT CERTAIN DISAGREEMENTS BE ARBITRATED (OR LITIGATED, IN CERTAIN INSTANCES) IN MARIN COUNTY, CALIFORNIA. OUT OF STATE ARBITRATION (OR LITIGATION) MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE (OR LITIGATE) WITH US IN CALIFORNIA THAN IN YOUR HOME STATE.

2. THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA LAW GOVERNS THE AGREEMENT, AND CALIFORNIA LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR STATE'S LAW. YOU MAY WANT TO COMPARE THESE LAWS. SOME STATE FRANCHISE LAWS PROVIDE THAT CHOICE OF LAW PROVISIONS ARE VOID OR SUPERSEDED. YOU MIGHT WANT TO INVESTIGATE WHETHER ANY STATE FRANCHISE LAWS PROTECT YOU. YOU SHOULD REVIEW THE ADDENDA ATTACHED TO THIS OFFERING CIRCULAR AND THE FRANCHISE AGREEMENT FOR STATE-SPECIFIC PROVISIONS.

3. WE ONLY RECENTLY BEGAN OFFERING FRANCHISES AND WE HAVE NO HISTORY OF FRANCHISE OPERATIONS. YOU MAY WANT TO CONSIDER THIS IN DECIDING WHETHER TO PURCHASE A FRANCHISE.

4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Information comparing Fratelli Restaurants LLC with other franchisors is available. Call the state administrators listed in Exhibit A or your public library for sources of information.

Registration of this franchise with the state does not mean that the state recommends it or has verified the information in this Offering Circular. If you learn that anything in this Offering Circular is untrue, contact the Federal Trade Commission and the state administrators listed in Exhibit A.

The Effective Date for this Offering Circular is _____ or as listed in Exhibit H for your state.

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EXHIBITS

- A. LIST OF STATE ADMINISTRATORS
- B. LIST OF STATE AGENTS FOR SERVICE OF PROCESS
- C. FRANCHISE AGREEMENT
- D. TABLE OF CONTENTS OF CONFIDENTIAL OPERATIONS MANUAL
- E. AREA DEVELOPMENT AGREEMENT
- F. FINANCIAL STATEMENTS
- G. FRANCHISEE DISCLOSURE QUESTIONNAIRE
- H. MULTI-STATE ADDENDA

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