



NEWYORK
PIZZERIA®

FRANCHISE BROCHURE



Ciao,

My name is Anthony Russo and I am excited to talk to you about the benefits of investing and owning your own New York Pizzeria. My goal is to provide you with as much information so you feel comfortable with your evaluation. Please feel free to contact myself, or any New York Pizzeria franchise representative with any questions you have and we will be more than happy to help.

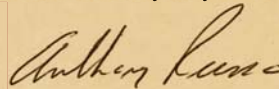
New York Pizzeria is a fast, casual Italian restaurant, and is one of the most rapid growing franchises in the Houston marketplace. Our concept is a perfect fit for the average consumer looking to find that old school pizzeria. New York Pizzeria provides that neighborhood Pizzeria feel, giving the customer a unique dining experience that separates us from the big chains. Every meal is cooked to order, using recipes passed down through generations from the Russo family.

In 1978 my family opened Russo's Italian Restaurant. At the age of twelve I spent a lot of time with my family, and other influential chefs in the kitchen learning our family recipes. Dad's phrase was, "If you can't make it fresh, don't serve it!" This was his philosophy and one that I hold close to my heart. Family and food means everything.

In the early 90's, the New York Pizzeria concept finally started to materialize. I knew I wanted to take the freshness and quality from the Russo Italian Restaurant and combine it with the simplicity of your neighborhood pizzeria. The New York Pizzeria staff is ready to share our knowledge, and skills to successfully guide your foodservice operations. It is this simplicity and freshness that will help you to drive a successful business. Today, the New York Pizzeria family has grown to over 20 restaurants located throughout the Houston area.

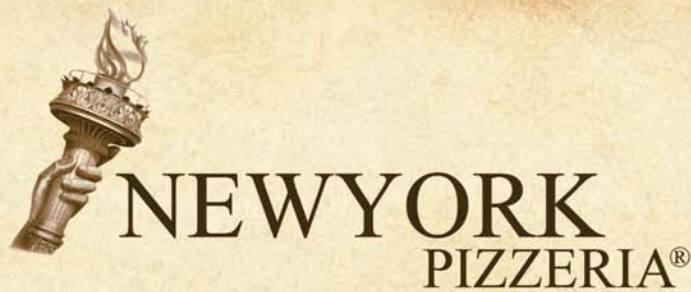
New York Pizzeria is looking to expand to other markets as we continue to grow. Hopefully after reading this brochure, I answered your questions regarding owning and operating your own New York Pizzeria.

From the Russo family to yours,



Anthony Russo, President
New York Pizzeria, Inc





Why choose to franchise with New York Pizzeria

We provide you everything you need to run a successful New York Pizzeria. Our experienced operations team will train you in every aspect of your New York Pizzeria, and assist you through your opening. We have an aggressive marketing program to help you grow your business. Our quality products speak for themselves allowing you to gain market share while creating a unique identity for your Pizzeria.

MANAGEMENT SUPPORT

Our management team is there to assist you with the design, build-out, equipping, and start up of your franchise. New York Pizzeria will provide you with the support you need to operate your newly franchised restaurant.

PRICE

Great food, priced right. Knowing how to control food cost can be challenging. You benefit from our buying power when you purchase our product from our approved vendors.

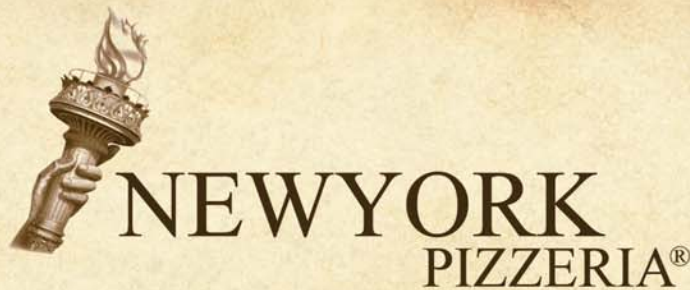
PRODUCTS

It's no secret that great tasting pizza originated in New York. Pizza by the slice is found on just about every street corner. You will not find a commissary delivering our products, fake dough, pre-made sauce, imitation cheese, and many of the other short cuts you may find in some of the larger chains.

At New York Pizzeria, quality comes first. It is a ritual to prepare our pizza dough and sauce daily. Our in house bread is baked fresh, so every bite leaves you with a flavor to remember. Our pizza contains fresh herbs, spices, and extra virgin olive oil. The freshness of our ingredients sets us apart from our competition.

We want you to build the best pizza. With our knowledge of the pizza industry, we'll guide you step by step. You'll have the freedom to enjoy running your own business, without the worry of someone looking over your shoulder.





Our Specialty Menu

Our menu is designed to appeal to a variety of consumer tastes. In addition to our great pizza we offer healthier and lighter menu items. We use fresh garden vegetables, low fat mozzarella, multigrain pasta, and other healthy ingredients for our heart healthy customers.

OPTIONAL MENU

We are more than a great pizzeria. Being involved with the New York Pizzeria organization, you have the option not only to sell pizza but also to learn how to make fresh pasta, homemade sandwiches, salads and soups.

FACTS

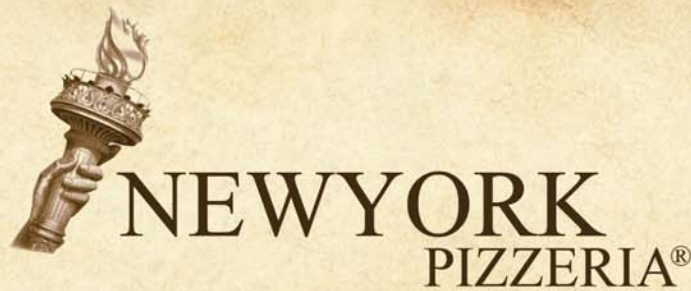
National Restaurant Association estimated that 94% of the U.S. population eat's pizza, spending \$25 billion on pizza each year. And pizza sales continue to grow!

- Pizza sales grew approximately 115% 1989 - 2006, from \$10.3 billion to \$15.5 billion.
- By the year 2010, parents will be raising over 56 million children.
- In 1991, pizza accounted for 14% of all restaurant orders and was second only to hamburgers which accounted for 17%.
- Sales for fast food chains are expected to increase 7.5% from \$80 billion to \$86 billion.

The quick-service market is expected to post higher overall earnings than full service restaurants. The shift reflects the increase in working women who have less time for food preparation at home. The U.S. Department of Commerce noted that in 1990 25% of the money spent in all types of eating places was for take-out and delivery. Experts predict this to increase to 50% in the 2000's.

The National Restaurant Associations 10-year industry projection emphasizes the growing importance of food distribution systems that cut the consumer's transportation and time costs. The time is right to be in the pizza business. There is strong potential growth for entrepreneurs.





Franchise Support

NEW YORK PIZZERIA has over 28 years of experience in the food industry. Our staff specializes in your business, and our job is to make you successful. We will provide you with the experience and knowledge you need to run a successful pizzeria.



NEW YORK PIZZERIA WILL ASSIST YOU IN OPENING YOUR STORE QUICKLY AND EFFICIENTLY THROUGH:

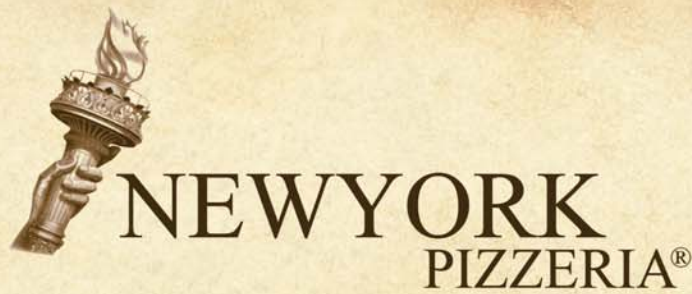
- Site selection assistance
- Equipment purchase, design, and layout of your establishment
- List of approved suppliers that carry our products
- Grand opening program

A COMPLETE TRAINING PROGRAM TO INSTRUCT YOU IN THE OPERATION OF YOUR NEW STORE INCLUDING:

- Preparation of your New York Pizzeria menu items
- Food quality and portion control
- Inventory management procedures
- Assistance in hiring key management and personnel
- Public relations, advertising, marketing programs and promotions

AFTER OPENING YOUR NEW YORK PIZZERIA, YOU'LL RECEIVE CONTINUED GUIDANCE FROM OUR STAFF OF EXPERIENCED RESTAURANT PERSONNEL. OUR ONGOING SERVICES ENSURE CONSISTENCY WITH YOUR OPERATION AND INCLUDE:

- Complete operations manual updated frequently
- On-site and phone consultation
- Group purchasing programs
- Ongoing visits from field staff supervisors
- New and innovative menu updates



Marketing

We know the success of New York Pizzeria is because of our customers. Our marketing program is structured on attracting and maintaining customers. Whether in a strip center location, or a free standing building, the importance of advertising is crucial. We target business people and outdoor shoppers during the day, families for early dinner and young singles and couples later that evening. Our marketing and advertising is specific towards each individual group.



SUPPORT

You will be supplied with an advertising program containing a variety of advertising, promotion and public relations programs designed to address your marketing needs.

ADVERTISING

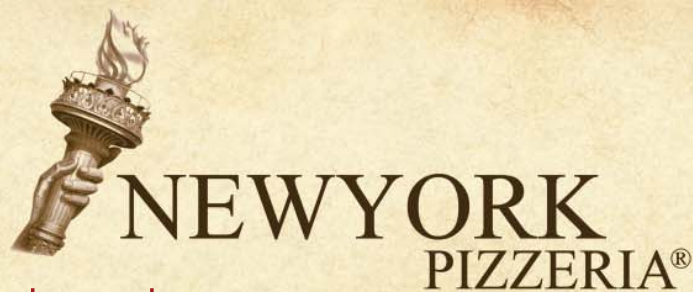
We developed advertising campaigns that promote New York Pizzeria as a “fun place, where good food is served in a friendly, comfortable environment”. The ads speak to great products and are also feature daily specials.

Your advertising will be aimed to support your New York Pizzeria and better position you in the marketplace. To effectively get these messages to the right customers and to spread the message to the largest possible audience, we developed multiple media plans for each market. The focus of the plan is on print media with additional ads for radio and television. We encourage our franchisees to develop individual advertisements for their particular marketplace.

We will provide research, creative direction, and help with media buying. Advertising materials are provided to franchisees on a regular basis to support our advertising campaign.

BUYING POWER

As an owner you will take advantage of our volume buying program, which enables you to buy at a discount, resulting in higher profit margins!



Initial Investment

Investment	Estimated Amount Range Low	Estimated Amount Range High	When Payable	To Whom Payment is Made	Comments
Initial Franchise Fee for a single New York Pizzeria	\$35,500.00 each individual Franchise	\$35,500.00 each individual Franchise	Paid to Franchisor upon a signing of the Franchise Agreement	Franchisor New York Pizzeria, Inc.	Total amount refunded if Franchise Application is not accepted.
Real Estate and Improvements	\$62,000	\$175,000	As Incurred by Franchisee	To Landlord and Contractors	This amount refunded if Franchise Application is not accepted.
Retail Equipment & Signage	\$35,000	\$170,000	As Incurred by Franchisee	To Franchisor or to third party equipment supplier	Franchisor will supply the complete equipment package
Additional Funds needed including Grand Opening Advertising and Working Capital	\$25,000	\$50,000	Prior to opening and during the first six months of operations	Advertising Agency and miscellaneous suppliers	These funds are necessary to sustain operations until volume grows sufficiently to cover expenses
Initial Inventory of Food and Miscellaneous Items	\$ 5,000	\$10,000	As the items are purchased or within 30 days upon credit terms	Approved Suppliers including Franchisor	The food inventory will remain constant as a percentage of volume
Totals	\$145,500	\$420,500	Normally during the first year following the signing of the Franchise Agreement	Franchisor Contracts Advertising Agency Food Suppliers	New York Pizzeria does not finance Franchisees



NEWYORK
PIZZERIA®

New York Pizzeria

Awards of Excellence

HOUSTON★CHRONICLE

N.Y. Pizza's Great –
Any Way You Slice

"I loved the Grilled Chicken Salad.
It was perfect!"

"Whenever I eat at NY Pizzeria, it's
just like visiting my relatives up
north... except nobody's asking me
if they can borrow money."

Ken Hoffman, Houston Chronicle

Jewish Herald-Voice
New York Pizzeria
by Theodore Powers, Food Editor



"Not only are the
pizzas great tasting,
there is a large menu
of very authentic New
York style Italian
food."

HoustonPress

"True Authentic New York Style Pizza"
2001 - 02

"It's well known that many believe the best
pizza in the world comes from New York.
Less well known is that you can find it in
Houston – at a New York pizzeria."

ZAGATSURVEY.

"His (lasagna) is spectacular and is made
with buttery fresh sheets of pasta, ricotta &
mozzarella cheese."

Zagat Review 2003
Best New York Style Pizza

Houston Dining Guide

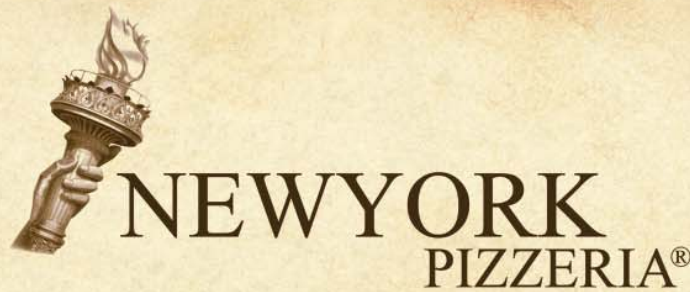
"The best tasting brick oven pizza!"



'04 & '06 Best Pizza Award in Houston

Southwest Regional Pizza Championship 2005

MAKE YOUR BEST PIZZA
CHAMPION



Frequently Asked Questions

Q. What types of franchises are available?

A. *Individual and multiple store franchises are available.*

Q. What is the present franchise fee?

A. *\$35,500*

Q. What is royalty fee and how often is it paid?

A. *7% of gross volume paid monthly to the franchisor.*

Q. What is the term of the franchise agreement? Can it be renewed?

A. *The term of the franchise agreement is 10 years. It can be renewed for another 10 years at the then current franchise royalty fee.*

Q. Can I sell my franchise?

A. *A franchisee's business can be sold with the franchisor's approval.*

Q. What is the advertising fee?

A. *Currently the advertising fee is 2%. The advertising money is spent by you in your local market.*

Q. How do I learn the business? Is there a training school? What does it cost?

A. *New York Pizzeria provides a complete training program for you and your personnel. This is included in your franchise fee.*

Q. What is my protected territory?

A. *A two mile radius is protected around your store except in downtown areas. If you have a mall store, you are only protected in that particular mall and not outside the mall with any radius.*

Q. Who finds the site?

A. *We provide site guidelines and assist you in site selection, but you will find your own site and submit it for approval.*

Q. How long does it take to open a New York Pizzeria Franchise?

A. *The time varies, but normally three to four months from the started of your build out.*

Q. Is financing available?

A. *Financing is available from banks and leasing companies. New York Pizzeria does not finance its franchisees.*

Q. What do I do next?

A. *Completely fill out the confidential application form enclosed in this brochure, and return to us via mail or fax. Once we receive and evaluate it, we will send you our franchise documents including the Uniform Franchise Offering Circular and the franchise agreement.*

Q. Can I visit Corporate Headquarters?

A. *Yes, we encourage you to visit with us after you receive the documents.*



Franchise Application

NEWYORK PIZZERIA®

Name: _____ Social Security: _____ Age: _____

Home Address: _____

City: _____ State: _____ Zip: _____

Employer: _____ Position: _____ Length Employed? _____

Address: _____

City: _____ State: _____ Zip: _____

Home Phone: _____ Business Phone: _____ Cell Phone: _____

How did you learn about New York Pizzeria? _____

How many New York Pizzerias are you interested in opening? _____

Will you devote full time to the business? Yes No

What location are you interested in? Please indicate by City, State, County and any major highways if in rural areas. _____

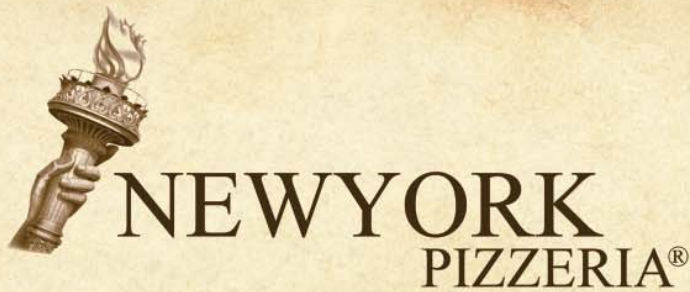
Please write in some personal and credit card references for us so that we can find out more about you and your ability to become a New York Pizzeria Franchisee. _____

PERSONAL (Friend, Neighbor, Business Associate)

Name	Address	Phone	Relation
1. _____	_____	_____	_____
2. _____	_____	_____	_____
3. _____	_____	_____	_____

CREDIT (Banking Facility, Credit Card Companies, etc.)

Company	Contact person	Phone	Account Type
1. _____	_____	_____	_____
2. _____	_____	_____	_____
3. _____	_____	_____	_____



Assets

Cash On Hand _____

U.S. Government Securities _____

Accounts/Loan Receivable _____

Notes Receivable _____

Life insurance _____

Stocks, Bonds, Money Market _____

Real Estate _____

Automobiles _____

Other Assets (Itemize) _____

Total Assets _____

Liability

Note Payable _____

Notes Payable to Others _____

Note Payable to Others _____

Loans Against Life Insurance _____

Accounts Payable _____

Interest Payable _____

Taxes & Assessment Payable _____

Mortgages Payable, Real Estate _____

Broker Margin Accounts _____

Total Liability _____

Total Capital available to invest in New York Pizzeria: \$ _____

Have you ever been involved in bankruptcy? ____ Yes ____ No

If so, explain: _____

New York Pizzeria does not guarantee the financial performance of any franchise or store. The decision to become a franchisee of New York Pizzeria and to open New York Pizzeria must be based on the franchise applicants independent research and analysis. New York Pizzeria is not liable for any representation made by any of its employees, or brokers with respect to real estate, financial projections, operations, or marketing performance.

By signing below you hereby authorize the release and verification of credit to New York Pizzeria for analysis to determine whether to award a franchise to applicant.

Signature: _____ Date: _____



NEWYORK PIZZERIA®

CORPORATE OFFICE
Anthony Russo, *President*

5727 Westheimer Road, Suite B
Houston, Texas 77057

Phone: 832-251-0220
Fax: 832-251-8718
E-mail: anthony@nypizzeria.com
www.nypizzeria.com