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NOBLE ROMANS INC
Form 10-Q
November 09, 2009

United States
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act
of 1934 For the quarterly period ended September 30, 2009

Commission file number: 0-11104

NOBLE ROMAN'S, INC.
(Exact name of registrant as specified in its charter)

Indiana 35-1281154
(State or other jurisdiction (I.R.S. Employer Identification No.)
of organization)

One Virginia Avenue, Suite 300
Indianapolis, Indiana 46204
(Address of principal executive offices) (Zip Code)

(317) 634-3377
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required
to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during
the preceding 12 months (or for such shorter period that the Registrant was
required to file such reports), and (2) has been subject to such filing
requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and
posted on its corporate web site, if any, every Interactive Data File required
to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section
232.405 of this chapter) during the preceding 12 months (or for such shorter
period that the registrant was required to submit and post such files).
Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an
accelerated filer, a non-accelerated filer, or a smaller reporting company. See
the definitions of "large accelerated filer," "accelerated filer" and "smaller
reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer Accelerated Filer
Non-Accelerated Filer Smaller Reporting Company
(do not check if smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in
Rule 12b-2 of the Exchange Act). Yes No

As of November 5, 2009, there were 19,412,499 shares of Common Stock, no par
value, outstanding.

PART I - FINANCIAL INFORMATION

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ITEM 1. Financial Statements

The following unaudited condensed consolidated financial statements are included herein:

Condensed consolidated balance sheets as of December 31, 2008 and September 30, 2009 (unaudited)	Page 3
Condensed consolidated statements of operations for the three months and nine months ended September 30, 2008 and 2009 (unaudited)	Page 4
Condensed consolidated statements of changes in stockholders' equity for the year ended December 31, 2008 and nine months ended September 30, 2009 (unaudited)	Page 5
Condensed consolidated statements of cash flows for the nine months ended September 30, 2008 and 2009 (unaudited)	Page 6
Notes to condensed consolidated financial statements (unaudited)	Page 7

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Noble Roman's, Inc. and Subsidiaries Condensed Consolidated Balance Sheets (Unaudited)

Assets	December 31, 2008	Septem 2
	-----	-----
Current assets:		
Cash	\$ 450,968	\$
Accounts and notes receivable - net	1,046,545	1,
Inventories	223,024	
Assets held for resale	242,690	
Prepaid expenses	222,095	
Current portion of long-term notes receivable	5,810	
Deferred tax asset - current portion	1,050,500	1,
	-----	-----
Total current assets	3,241,632	3,
	-----	-----
Property and equipment:		
Equipment	1,206,979	1,
Leasehold improvements	96,512	
	-----	-----
	1,303,491	1,
Less accumulated depreciation and amortization	821,422	
	-----	-----
Net property and equipment	482,069	
Deferred tax asset (net of current portion)	11,802,637	10,
Other assets including long-term portion of notes receivable - net	1,752,102	2,

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Total assets	\$ 17,278,440	\$ 17,278,440
Liabilities and Stockholders' Equity		
Current liabilities:		
Current portion of long-term note payable	\$ 1,500,000	\$ 1,500,000
Accounts payable and accrued expenses	1,191,116	1,191,116
Total current liabilities	2,691,116	2,691,116
Long-term obligations:		
Note payable to bank (net of current portion)	5,625,000	5,625,000
Total long-term liabilities	5,625,000	5,625,000
Stockholders' equity:		
Common stock - no par value (25,000,000 shares authorized, 19,412,499 issued and outstanding as of December 31, 2008 and September 30, 2009)	23,023,250	23,023,250
Preferred stock (5,000,000 shares authorized and 20,625 issued and outstanding as of December 31, 2008 and September 30, 2009)	800,250	800,250
Accumulated deficit	(14,861,176)	(14,861,176)
Total stockholders' equity	8,962,324	8,962,324
Total liabilities and stockholders' equity	\$ 17,278,440	\$ 17,278,440

See accompanying notes to condensed consolidated financial statements.

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Noble Roman's, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2009	2008	2009
Royalties and fees	\$ 1,825,168	\$ 1,778,230	\$ 5,760,253	\$ 5,760,253
Administrative fees and other	10,880	7,818	44,752	44,752
Restaurant revenue	375,907	148,275	1,179,427	1,179,427
Total revenue	2,211,955	1,934,323	6,984,432	6,984,432
Operating expenses:				
Salaries and wages	344,763	252,048	1,074,862	1,074,862
Trade show expense	121,814	77,032	366,598	366,598
Travel expense	109,940	29,927	332,572	332,572
Sales commissions	12,022	--	56,135	56,135
Other operating expenses	225,253	172,268	697,784	697,784
Restaurant expenses	363,638	131,706	1,127,858	1,127,858
Depreciation and amortization	21,060	19,557	70,265	70,265
General and administrative	400,955	375,158	1,243,807	1,243,807

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Total expenses	1,599,445	1,057,696	4,969,881	3,
Operating income	612,510	876,627	2,014,551	2,
Interest and other expense	150,678	115,682	466,753	
Income before income taxes	461,832	760,945	1,547,798	2,
Income tax expense	157,023	301,410	526,251	
Net income	304,809	459,535	1,021,547	1,
Cumulative preferred dividends	16,455	16,455	49,545	
Net income available to common stockholders	\$ 288,354	\$ 443,080	\$ 972,002	\$ 1,
Earnings per share - basic:				
Net income	\$.02	\$.02	\$.05	\$
Net income available to common stockholders	\$.02	\$.02	\$.05	\$
Weighted average number of common shares outstanding	19,212,499	19,412,499	19,203,647	19,
Diluted earnings per share:				
Net income	\$.02	\$.02	\$.05	\$
Weighted average number of common shares outstanding	19,937,218	19,922,242	19,928,366	19,

See accompanying notes to condensed consolidated financial statements.

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Noble Roman's, Inc. and Subsidiaries
Condensed Consolidated Statements of Changes in
Stockholders' Equity
(Unaudited)

	Preferred Stock	Common Stock Shares	Common Stock Amount	Accumulated Deficit
Balance at December 31, 2007	\$ 800,250	19,187,499	\$ 22,905,618	\$ (12,393,832)
Net loss for the year ended December 31, 2008				(2,401,163)
Cumulative preferred dividends				(66,181)
Exercise of employee stock options		15,000	12,450	
Amortization of value of employee stock options			52,682	

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Exercise of warrants from previous debt holders		10,000	12,500	
Issuance of common stock	--	200,000	40,000	--
Balance at December 31, 2008	800,250	19,412,499	23,023,250	(14,861,176)
Net income for nine months ended September 30, 2009				1,291,529
Cumulative preferred dividends				(49,364)
Amortization of value of employee stock options			42,226	
Balance at September 30, 2009	\$ 800,250	19,412,499	\$ 23,065,476	\$ (13,619,011)

See accompanying notes to condensed consolidated financial statements.

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Noble Roman's, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Nine Months Ended September 30,	
	2008	2009
OPERATING ACTIVITIES		
Net income	\$ 1,021,547	\$ 1,291,529
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	146,410	138,806
Deferred income taxes	526,251	847,120
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts and notes receivable	(504,094)	(305,940)
Inventories	(55,138)	10,627
Prepaid expenses	(230,651)	(16,719)
Other assets	(130,060)	(543,566)
Increase (decrease) in:		
Accounts payable and accrued expenses	(277,764)	238,197
NET CASH PROVIDED BY OPERATING ACTIVITIES	496,501	1,660,054
INVESTING ACTIVITIES		
Purchase of property and equipment	(123,149)	(23,644)
Investment in assets held for resale	(1,451,373)	(837)
NET CASH USED IN INVESTING ACTIVITIES	(1,574,522)	(24,481)

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FINANCING ACTIVITIES		
Payment of obligations from discontinued operations	(198,304)	(563,159)
Payment of cumulative preferred dividends	(49,545)	(49,364)
Payment of principal on outstanding debt	(1,125,000)	(1,125,000)
Payments received on long-term notes receivable	133,735	14,313
Proceeds from additional bank borrowings - net of issuance cost	2,975,024	--
Proceeds from the exercise of stock options and warrants	24,950	
<hr/>		
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	1,760,860	(1,723,210)
<hr/>		
Increase (decrease) in cash	682,839	(87,637)
Cash at beginning of period	832,207	450,968
<hr/>		
Cash at end of period	\$ 1,515,046	\$ 363,331
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Supplemental schedule of non-cash investing and financing activities

None

Cash paid for interest	\$ 430,272	\$ 317,750
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See accompanying notes to condensed consolidated financial statements.

Notes to Condensed Consolidated Financial Statements (Unaudited)

Note 1 - The Company records the cost of franchised locations held by the Company on a temporary basis until they are sold to a franchisee at the Company's cost adjusted for impaired value, if any, to the estimated net realizable value. The Company estimates net realizable value using comparative replacement costs for other similar franchise locations that are being built at the time the estimate is made. This policy is in accordance with SFAS No. 144, paragraph 30 and SFAS No. 121.

The Company records exit or disposal activity for discontinued operations when management commits to an exit or disposal plan and includes those charges under results of discontinued operations, as required by SFAS No. 146, Accounting for Costs Associated with Exit or Disposal Activities.

Note 2 - In conjunction with a Settlement Agreement with SummitBridge National Investments, LLC and related entities, Noble Roman's obtained a new six-year term loan in August 2005, in the principal amount of \$9,000,000 requiring principal payments of \$125,000 per month plus interest at the rate of LIBOR plus 4% per annum adjusted on a monthly basis. In February 2008, the Company entered into a First Amendment to Loan Agreement (the "Amendment") with Wells Fargo that amended the existing Loan Agreement dated August 25, 2005 between the Company and Wells Fargo (the "Loan Agreement"). The Amendment provided for Wells Fargo to loan an additional \$3,000,000 to the Company. The Amendment also reduced the interest rate applicable to amounts borrowed under the Loan Agreement to LIBOR plus 3.75% per annum and extended the maturity date for borrowings under the loan from August 31, 2011 to August 31, 2013. In February 2008, the Company elected to trade its previous swap contract for a new swap contract fixing the

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rate on 50% of the principal balance under the Loan Agreement, as amended by the Amendment at an annual interest rate of 8.2%. The amendment to the loan agreement in February 2008 was not considered substantive under EITF 96-19. The loan agreement also requires the Company to maintain certain financial ratios during the term of the loan. At the time of the modification in February 2008, that loan had a remaining principal balance \$5,375,000. The Company entered into an amendment to provide funds to repurchase some of the Company's common stock if the Board of Directors should decide that was in the best interest of the shareholders and for general corporate purposes. The terms of the loan, as amended, continued the same \$125,000 per month principal payments. The amendment extended the maturity date from August 31, 2011 to August 31, 2013 to reflect the number of months necessary to maintain the same \$125,000 per month principal amortization and maintain the same covenants with regard to financial ratios. The Company accounted for the transaction by increasing its cash and note payable accounts by \$3,000,000.

Note 3 - The interim condensed consolidated financial statements, included herein, are unaudited, but reflect all adjustments which are, in the opinion of management, necessary for a fair statement of the results of operations for the interim periods presented and the financial condition as of the dates indicated, which adjustments are of a normal recurring nature. The results for the nine-month period ended September 30, 2009 are not necessarily indicative of the results to be expected for the full year ending December 31, 2009.

Note 4 - Approximately \$102,050 and \$167,650 are included in royalty and fee income for the three-month and nine-month periods ended September 30, 2009, respectively, and approximately \$58,000 and \$296,500 are included in the three-month and nine-month periods ended September 30, 2008, respectively, for initial franchise fees. Approximately \$7,723 and \$84,085, and approximately \$106,610 and \$313,685 are included in royalty and fee income for the three-month and nine-month periods ended September 30, 2009 and 2008, respectively, for equipment commissions. There were no area development fees in either the

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three-month or nine-month periods in 2009 and there were no area development fees in the three-month period ended September 30, 2008, however, there were \$104,825 area development fees in the nine-month period ended September 30, 2008. Royalty and fee income, less initial franchise fees, equipment commissions and area development fees were \$1,668,457 and \$5,025,930, and \$1,660,558 and \$5,045,426 for the three-month and nine-month periods ended September 30, 2009 and 2008, respectively. The Company's ongoing royalty income is primarily paid electronically by the Company initiating a draft on the franchisee's account by electronic withdrawal. As such, the Company has no material amount of past due royalties.

Note 5 - The following table sets forth the calculation of basic and diluted earnings per share for the three-month period and nine-month period ended September 30, 2009:

	Three Months Ended September 30, 2009		
	Income	Shares	Per-Share
	-----	-----	Amount
	(Numerator)	(Denominator)	-----
Net income	\$ 459,535	19,412,499	\$.02

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Less preferred stock dividends	(16,455)	

Earnings per share - basic		
Income available to common stockholders	443,080	.02
Effect of dilutive securities		
Warrants		--
Options		143,077
Convertible preferred stock	16,455	366,666
	-----	-----
Diluted earnings per share		
Income available to common stockholders and assumed conversions	\$ 459,535	19,922,242 \$.02

Nine Months Ended September 30, 2009

	Income ----- (Numerator)	Shares ----- (Denominator)	Per-Share Amount -----
Net income	\$1,291,529	19,412,499	\$.07
Less preferred stock dividends	(49,364)		

Earnings per share - basic			
Income available to common stockholders	1,242,165		.06
Effect of dilutive securities			
Warrants		--	
Options		143,077	
Convertible preferred stock	49,364	366,666	
	-----	-----	
Diluted earnings per share			
Income available to common stockholders and assumed conversions	\$1,291,529	19,922,242	\$.06

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Note 6 - The Company is a Defendant in a lawsuit styled Kari Heyser, Fred Eric Heyser and Meck Enterprises, LLC, et al v. Noble Roman's, Inc. et al, filed in Superior Court in Hamilton County, Indiana in June 2008. The Plaintiffs are former franchisees of the Company's traditional location venue. In addition to the Company, the Defendants include certain of the Company's officers and lenders to certain of the Plaintiffs. The Plaintiffs allege that the Defendants induced them to purchase traditional franchises through fraudulent representations and omissions of material facts regarding the franchises, and seek compensatory and punitive damages. Discovery is in progress, but has not yet been completed. Defendants filed the First Request for Production of Documents in February 2009 and certain Plaintiffs produced some documents requested by the Company. However, many of the Plaintiffs produced no documents and the Company, in July 2009, filed a Motion to Compel the production against the Plaintiffs. In September 2009 the Judge entered a Stipulated Order on the Motion to Compel stating that all Plaintiffs in this litigation were ordered to:

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(i) fully and completely and without objection or evasion, file written responses to the Company's Request by September 30, 2009 demonstrating what documents and things exists which are responsive to the Request and (ii) fully and completely without objection or evasion, produce all documents and things that are responsive to the Request by October 15,2009. The Company believes that the written responses submitted by the Plaintiffs do not comply with the Order. Further, many of the Plaintiffs have not submitted any documents and most of the others have not fully complied with the Order to Compel. The Company is in the process of filing an additional Motion to Require Full Compliance with the Order to Compel and To Show Cause why they should not be held in contempt and for sanctions against the Plaintiffs. The Company is unable to estimate the amount of damages claimed by the Plaintiffs.

The Company filed a Counter-Claim for Damages against all of the Plaintiffs and moved to obtain Preliminary and Permanent Injunctions against a majority of the Plaintiffs to remedy the Plaintiffs' continuing breaches of the applicable franchise agreements. The Company's Motion for Preliminary Injunction was granted in October 2008. The Company has asserted that none of the preliminarily enjoined Plaintiffs fully complied with the Court's Order and that several of them only minimally complied. Accordingly, the Company filed a Motion to Require Full Compliance and To Show Cause why they should not be held in contempt and for attorney's fees as sanctions.

The Company filed a Motion to Revoke the Temporary Admission Pro Hac Vice of David M. Duree, Plaintiff's former counsel, for filing fraudulent affidavits with the Court. The Court granted this motion in March 2009. In the same ruling the Court: continued the Motion to Show Cause to allow parties time to conduct discovery, including depositions on the preliminarily enjoined Plaintiffs, on that issue; granted preliminary injunctions against Plaintiffs Gomes and Villasenor; dismissed claims against CIT Small Business Lending Corporation and PNC Bank with prejudice; and struck the fraudulent affidavits. New counsel for Plaintiffs entered his appearance in the case on behalf of the Plaintiffs in May 2009.

The Company filed a Motion for Partial Summary Judgment as to several claims in the Complaint. On September 22, 2009 the Judge granted Defendant's Motion For Partial Summary Judgment. On October 8, 2009 Plaintiffs filed a Motion To Correct Error, Reconsider And Vacate Order; Request For Clarification; Alternatively, Motion For Certification Of Appeal Of Interlocutory Order And For Stay Of Proceeding Pending Appeal. That Motion has been fully briefed by both parties and a hearing has been set for January 5, 2010.

Some of the Plaintiffs' depositions were taken during August and September. The Company has been attempting and continues to attempt to schedule the remaining Plaintiffs for depositions. On September 29, 2009, Defendants filed a Motion to

Reopen Plaintiff Dunn's deposition and require him to come to Indianapolis and resume his deposition at the Plaintiff's expense claiming that Plaintiffs' counsel wrongly interrupted a proper line of questioning and prematurely ended the deposition. A hearing on that motion has been set for January 5, 2010. On October 16,2009, Defendants filed a motion to require Plaintiff Heyser to travel to Indianapolis for her deposition as a result of her deposition, which had been previously agreed to, being canceled at her request and agreeing, through counsel, to come to Indianapolis at a later date for the deposition. Many days later Plaintiffs' counsel denied that agreement even though it had been confirmed by email. A hearing on that motion has been set for January 5, 2010. Certain Defendants were scheduled for depositions by Plaintiffs' counsel on November 9, 10, 11 and 12, 2009, however, Plaintiffs' counsel recently canceled

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those depositions.

On November 6, 2009, Defendants filed a motion for Summary Judgment as to Plaintiff Brintle as a result of the testimony at his deposition. The Defendants are in the process of filing motions for Summary Judgment against all of the other Plaintiffs whose deposition have been taken.

Although there can be no assurance regarding the outcome of litigation, the Company believes that it has strong and meritorious legal and factual defenses to these claims, viable counter claims against the Plaintiffs and will vigorously defend its interests in this case.

Note 7 - Management has evaluated subsequent events through November 9, 2009, the date on which the financial statements were issued.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Introduction

The Company sells and services franchises for non-traditional and stand-alone foodservice operations under the trade names "Noble Roman's Pizza," "Tuscano's Italian Style Subs" and "Noble Roman's Bistro." The Company believes the attributes of these concepts include high quality products, simple operating systems, labor minimizing operations, attractive food costs and overall affordability.

As discussed in the notes to the Company's financial statements, the Company uses significant estimates in evaluating such items as notes and accounts receivable to reflect the actual amount expected to be collected for total receivables. At September 30, 2009, the Company reported net accounts and notes receivable of \$1.352 million, which was net of an allowance to reflect the amount the Company expects to realize for the receivable at September 30, 2009. The Company, at September 30, 2009, had a deferred tax asset on its balance sheet totaling \$12.006 million and, after reviewing expected results from the Company's current business plan, the Company believes it is more likely than not that the deferred tax assets will be utilized prior to the expiration of those deferred assets, most of which expire between 2012 and 2028.

Noble Roman's Pizza

Superior quality that our customers can taste - that is the hallmark of Noble Roman's Pizza. Every ingredient and process has been designed with a view to producing superior results. We believe the following make our products unique:

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- o Crust made with only specially milled flour with above average protein and yeast.
- o Fresh packed, uncondensed sauce made with secret spices, parmesan cheese and vine-ripened tomatoes.
- o 100% real cheese blended from mozzarella and Muenster, with no soy additives or extenders.
- o 100% real meat toppings, again with no additives or extenders - a real departure from many pizza concepts.

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- o Vegetable and mushroom toppings that are sliced and delivered fresh, never canned.
- o An extended product line that includes breadsticks with dip, pasta, baked sandwiches, salads, wings and a line of breakfast products.
- o A fully-prepared pizza crust that captures the made-from-scratch pizzeria flavor which gets delivered to the franchise location shelf-stable so that dough handling is no longer an impediment to a consistent product.

The Company carefully developed nearly all of its menu items to be delivered in a ready-to-use form requiring only on-site assembly and baking. These menu items are manufactured by third party vendors and distributed by unrelated distributors who deliver throughout most of the continental United States. We believe this process results in products that are great tasting, quality consistent, easy to assemble and relatively low in food cost and require relatively low amounts of labor.

Noble Roman's Take-N-Bake Pizza

The Company has recently developed a take-n-bake pizza as an addition to its menu offerings. The take-n-bake pizza is designed as an add-on component for new and existing convenience store franchisees, and as a stand-alone offering for grocery store chains. The Company has signed agreements for 44 grocery store locations, allowing them to operate the take-n-bake pizza program. The Company is also in discussions with several additional grocery store chains regarding adding the take-n-bake program to their stores. The Company expects the number of grocery store locations for take-n-bake to increase significantly over the next several months. The take-n-bake program has also been integrated into the operations of 16 existing convenience stores, generating significant add-on sales, and is now being offered to all convenience store franchisees for a small training fee. The take-n-bake program in grocery stores is being offered as a supply agreement rather than a franchise.

Tuscano's Italian Style Subs

Tuscano's Italian Style Subs is a separate restaurant concept that focuses on sub sandwich menu items. Tuscano's was designed to be comfortably familiar from a customer's perspective but with many distinctive features that include an Italian-themed menu. The franchise fee and ongoing royalty for a Tuscano's is identical to that charged for a Noble Roman's Pizza franchise. For the most part, the Company awards Tuscano's franchises for the same facilities as Noble Roman's Pizza franchises, although Tuscano's franchises are also available for locations that do not have a Noble Roman's Pizza franchise.

With its Italian theme, Tuscano's offers a distinctive yet recognizable format. Like most other brand name sub concepts, customers select menu items at the start of the counter line then choose toppings and sauces according to their preference until they reach the check out point. Tuscano's, however, has many unique competitive features, including its Tuscan theme, the extra rich yeast content of its fresh baked bread, thematic menu selections and serving options, high quality meats, and generous yet cost-effective quality sauces and spreads. Tuscano's was designed to be premium quality, simple to operate and cost-effective.

The Company has recently developed a grab-n-go service system for a limited portion of the Tuscano's menu. The grab-n-go system is designed to add sales

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opportunities at existing non-traditional Noble Roman's Pizza and/or Tuscano's Subs locations. The grab-n-go system has already been integrated into the operations of seven existing locations, generating significant add-on sales. The system will be made available to other existing franchisees for a small training and administrative fee.

The Company is now offering new, non-traditional franchisees the opportunity to open with both take-n-bake pizza and grab-n-go subs when they acquire a dual-brand franchise. Additionally, through changes in the menu, operating systems and equipment structure, the Company is now able to offer dual Noble Roman's Pizza and Tuscano's Subs franchises at a significantly reduced investment cost. The Company recently has begun promoting these enhancements for non-traditional locations, and recently demonstrated the dual-brand at the Foodservice At Retail Expo in Chicago in August and at the National Association of Convenience Stores in Las Vegas in October.

Noble Roman's Bistro

Noble Roman's Bistro, introduced in October 2008, is an additional service system specifically designed for non-traditional venues such as convenience stores, entertainment facilities, universities, hospitals, bowling centers and other high traffic facilities. The Bistro incorporates all of the ingredient qualities described above for Noble Roman's Pizza, and retains simplicity by using largely ready-to-use ingredients that require only final assembly and baking on site. It features the SuperSlice pizza, one-fourth of a large pizza, along with hot entrees such as chicken parmesan, baked pastas, hot sub sandwiches, breadsticks and calzones plus fresh salads and snacks. The Bistro is also available with an optional breakfast expansion menu featuring a variety of standard breakfast favorites. Customers move along the food display counter and are served to order as they go. The Bistro was recently demonstrated at a trade show for parks and attractions in Branson, Missouri in October and the Company plans to demonstrate the Bistro at the IAAPA Show in Las Vegas in November.

Business Strategy

The Company's business strategy can be summarized as follows:

Intensify Focus on Sales of Non-Traditional Franchises. With a very weak retail economy, and with the severe dislocations in the lending markets, the Company believes that it has a unique opportunity for increasing unit growth and revenue within its non-traditional venues such as hospitals, military bases, universities, convenience stores, grocery stores, attractions, entertainment facilities, casinos, airports, travel plazas, office complexes and hotels. The Company's franchises in non-traditional locations are foodservice providers within a host business, and usually require a minimal investment compared to a stand-alone franchise. Non-traditional franchises are often sold into pre-existing facilities as a service and/or revenue enhancer for the underlying business. Though focusing on non-traditional franchise expansion, the Company will still seek to capitalize on other franchising opportunities as they present themselves.

With the major focus being on non-traditional franchising, the Company's requirements for overhead and operating cost are reduced. In addition, during December 2008 the Company discontinued operating restaurants, by selling all but two of the restaurants it had been temporarily operating pending planned re-franchising, which also substantially reduced the Company's requirements for overhead and operating cost for the foreseeable future. This change has allowed for a more complete focus on selling and servicing franchises to capitalize on the attractive opportunity the Company believes it has for increased unit growth in non-traditional franchises.

Enhance Product Offerings. To augment the Company's sales opportunities within non-traditional venues, it introduced the Noble Roman's Bistro service system in October 2008. As an addition to the other service systems offered in its Noble Roman's Pizza and Tuscano's Italian Style Subs concepts, the Bistro was designed to appeal to additional types of businesses and operational objectives with its fresh food display and serve-to-order serving system. Though presented or packaged differently, the substantial majority of the menu selections are comprised of ingredients already utilized in Noble Roman's Pizza and Tuscano's Italian Style Subs, thereby leveraging the Company's simple systems, distribution and purchasing power. In addition, the Company has recently developed a take-n-bake pizza as an addition to its menu offering. The take-n-bake pizza is designed as an add-on component for new and existing convenience store franchisees, and as a stand-alone offering for grocery store chains. The Company has signed agreements with 44 grocery stores, allowing them to operate the take-n-bake pizza program pursuant to supply agreements and are in discussions with several other grocery store chains.

Maintain Superior Product Quality. The Company believes that the quality of its products will contribute to the growth of its non-traditional locations. Every ingredient and process was designed with a view to producing superior results. Most of our menu items were developed to be delivered in a ready-to-use form requiring only on-site assembly and baking except for take-n-bake pizza, which is sold to bake at home. The Company believes this process results in products that are great tasting, quality consistent, easy to assemble and relatively low in food cost and requiring very low amounts of labor, which allows for a significant competitive advantage due to the speed at which its products can be prepared, baked and served to customers.

Financial Summary

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results may differ from those estimates. The Company periodically evaluates the carrying values of its assets, including property, equipment and related costs, accounts receivable and deferred tax asset, to assess whether any impairment indications are present due to (among other factors) recurring operating losses, significant adverse legal developments, competition, changes in demands for the Company's products or changes in the business climate that affect the recovery of recorded value. If any impairment of an individual asset is evident, a charge will be provided to reduce the carrying value to its estimated fair value.

The following table sets forth the percentage relationship to total revenue of the listed items included in Noble Roman's consolidated statements of operations for the three-month and nine-month periods ended September 30, 2008 and 2009, respectively.

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	2008	2009	2008	2009
Royalties and fees	82.5 %	91.9 %	82.5 %	92.1 %
Administrative fees and other	.5	.4	.6	.8
Restaurant revenue	17.0	7.7	16.9	7.1
Total revenue	100.0 %	100.0 %	100.0 %	100.0 %
Operating expenses:				
Salaries and wages	15.6	13.0	15.4	13.9
Trade show expense	5.5	4.0	5.2	4.0
Travel expense	5.0	1.5	4.8	1.9
Sales commissions	.5	--	.8	.1
Other operating expense	10.2	8.9	10.0	9.7
Restaurant expenses	16.4	6.8	16.1	6.7
Depreciation and amortization	1.0	1.0	1.0	1.0
General and administrative	18.1	19.4	17.9	19.2
Operating income	27.7 %	45.4 %	28.8 %	43.5 %
Interest and other expense	6.8	6.0	6.7	6.0
Income before income taxes	20.9 %	39.4 %	22.1 %	37.3 %
Income tax expense	7.1	15.6	7.5	14.8
Net income	13.8 %	23.8 %	14.6 %	22.5 %

Results of Operations

Results of Operations - Three-Month and Nine-Month Periods Ended September 30, 2008 and 2009

Total revenue decreased from \$2,211,955 to \$1,934,323 and from \$6,984,432 to \$5,728,946 for the three-month and nine-month periods ended September 30, 2009, respectively, compared to the corresponding periods in 2008. These decreases were primarily the result of less equipment commissions and operating fewer restaurants during the three-month period and selling fewer franchises, less equipment commissions, less area development agreements and operating fewer restaurants in the nine-month period ended September 30, 2009 compared to the corresponding periods in 2008. Royalty and fee income, less franchise fees, equipment commissions and area development fees, were approximately the same in the 2008 and 2009 periods. The decrease in the sale of area development agreements was the result of the Company focusing all of its efforts in non-traditional franchising. The reduction in the sale of franchise agreements and equipment commissions was primarily the result of the economic environment resulting in prospects being more reluctant to make capital investments. Operating fewer restaurants was the result of the Company's decision in December 2008 to sell the restaurants it was operating on a temporary basis to franchisees and focus all of its efforts on growth of non-traditional locations.

Approximately \$102,050 and \$167,650 were included in royalty and fee income for the three-month and nine-month periods ended September 30, 2009, respectively, and approximately \$58,000 and \$296,500 were included in the three-month and nine-month periods ended September 30, 2008, respectively, for initial franchise fees. Approximately \$7,723 and \$84,085, and approximately \$106,610 and \$313,682

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were included in royalty and fee income for the three-month and nine-month periods ended September 30, 2009 and 2008, respectively, for equipment commissions. There were no area development fees in either the three-month or

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nine-month periods in 2009 and there were no area development fees in the three-month period however, there were \$104,825 in the nine-month period ended September 30, 2008. Royalty and fee income, less initial franchise fees, equipment commissions and area development fees were \$1,668,457 and \$5,025,930, and \$1,660,558 and \$5,045,426 for the three-month and nine-month periods ended September 30, 2009 and 2008, respectively.

Restaurant revenues decreased from approximately \$375,907 to \$148,275 and \$1,179,427 to \$405,908 for the three-month and nine-month periods ended September 30, 2009, respectively, compared to the corresponding periods in 2008. This decrease was a result of the Company discontinuing operating restaurants in December 2008 to focus all of its efforts on the growth in non-traditional. Currently, the Company is continuing to operate two restaurants which it uses for testing and demonstration purposes.

Salaries and wages were 13.0% of total revenue and 13.9% of total revenue for the three-month and nine-month periods ended September 30, 2009, respectively, compared to 15.6% and 15.4% for the three-month and nine-month periods ended September 30, 2008, respectively. The expense decreased from \$344,763 to \$252,048 and from \$1,074,862 to \$795,778 for the three-month and nine-month periods ended September 30, 2009, respectively, compared to the corresponding periods in 2008. These decreases were the result of reduction in staff and other overhead due to the Company's decision to discontinue operating restaurant pending re-franchising and, as a result, the Company's strategy to grow by concentrating its efforts on franchising non-traditional locations. The reduction was partially offset by the decrease in revenue as explained above.

Trade show expenses decreased from 5.5% of total revenue to 4.0% of total revenue and 5.2% of total revenue to 4.0% of total revenue, respectively, for the three-month and nine-month periods ended September 30, 2009 compared to the corresponding periods in 2008. These decreases were the result scheduling fewer trade shows by eliminating all events focused on franchising for traditional locations. The reduction was partially offset by the decrease in revenue as explained above.

Travel expenses decreased from 5.0% of total revenue to 1.5% of total revenue and from 4.8% of total revenue to 1.9% of total revenue, respectively, for the three-month and nine-month periods ended September 30, 2009 compared to the corresponding periods in 2008. The amount of travel expenses decreased from \$109,940 to \$29,927 and from \$332,572 to \$108,060 for the three-month and nine-month periods ended September 30, 2009, respectively, compared to the corresponding periods in 2008. These decreases were the result of the Company's strategy to grow by concentrating its efforts on franchising non-traditional locations which require less on-site support than franchising in traditional locations. The reduction was partially offset by the decrease in revenue as explained above.

There were no sales commissions in the three-month period ended September 30, 2009, however, sales commissions were .5% of total revenue for the comparable period in 2008. Sales commissions decreased from .8% of total revenue to .1% of total revenue for the nine-month period ended September 30, 2009 compared to the corresponding period in 2008. These decreases were the result of fewer franchise sales and area development agreement sales and reflected the decision the Company made in December 2008 to focus all of its efforts on non-traditional

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franchise sales.

Other operating expenses decreased from 10.2% of total revenue to 8.9% of total revenue and from 10.0% of total revenue to 9.7% of total revenue, respectively, for the three-month and nine-month periods ended September 30, 2009 compared to the corresponding periods in 2008. The expenses decreased from \$225,253 to \$172,268 and from \$697,784 to \$560,531, respectively, for the three-month and

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nine-month periods ended September 30, 2009 compared to the corresponding periods in 2008. The reduction in operating expenses was partially offset by the decrease in revenue. The decreases were due to the Company's decision to discontinue operating restaurants pending re-franchising and as a result of the Company's strategy to grow by concentrating its efforts on franchising non-traditional restaurants.

Restaurant expenses decreased from 16.4% of total revenue to 6.8% of total revenue and from 16.1% of total revenue to 6.7% of total revenue, respectively, for the three-month and nine-month periods ended September 30, 2009 compared to the corresponding periods in 2008. The expenses decreased from \$363,638 to \$131,706 and from \$1,127,858 to \$382,531, respectively for the three-month and nine-month periods ended September 30, 2009 compared to the corresponding periods in 2008. These decreases were the result of the Company discontinuing operating restaurants, except for the two restaurants used for testing and demonstration purposes.

General and administrative expenses increased as a percentage of total revenue from 18.1% of total revenue to 19.4% of total revenue and 17.9% of total revenue to 19.2% of total revenue, respectively, for the three-month and nine-month periods ended September 30, 2009 compared to the corresponding periods in 2008. The expenses decreased from \$400,955 to \$375,158 and from \$1,243,807 to \$1,097,917, respectively, for the three-month and nine-month periods ended September 30, 2009 compared to the corresponding periods in 2008. These increases, as a percentage of revenue, were the result of the decrease in revenue as a result of opening fewer new franchises, partially offset by the reduction in general and administrative expenses.

Total expenses decreased, as a percentage of total revenue, from 72.3% to 54.6% and 71.2% to 56.5%, respectively, for the three-month and nine-month periods ended September 30, 2009 compared to the corresponding periods in 2008. The expenses decreased from \$1,599,445 to \$1,057,696 and from \$4,969,881 to \$3,237,159, respectively, for the three-month and nine-month periods ended September 30, 2009 compared to the corresponding periods in 2008. This decrease was due to the Company's decision to discontinue operating restaurants pending re-franchising and as a result of the Company's strategy to grow by concentrating its efforts on franchising non-traditional locations.

Operating income increased as a percentage of total revenue from 27.7% of total revenue to 45.4% of total revenue and 28.8% of total revenue to 43.5% of total revenue, respectively, for the three-month and nine-month periods ended September 30, 2009 compared to the corresponding periods in 2008. The primary reasons for these increases were reductions in overhead as a result of the Company's decision to discontinue operating restaurants pending re-franchising and as a result of the Company's strategy to grow by concentrating all of its efforts on franchising non-traditional locations. The reduction in overhead was only partially offset by the decrease in revenue as a result of opening fewer new franchises. Actual operating income increased from \$612,510 to \$876,627 and from \$2,014,551 to \$2,491,787 for the three-month and nine-month periods ended September 30, 2009 compared to the corresponding periods in 2008.

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Interest expense decreased, as a percentage of total revenue, from 6.8% to 6.0% and from 6.7% to 6.2% of total revenue, respectively, for the three-month and nine-month periods ended September 30, 2009 compared to the corresponding periods in 2008. Interest expense decreased from \$150,678 to \$115,682 and from \$466,753 to \$353,138 for the three-month and nine-month periods ended September 30, 2009, respectively, compared to the corresponding periods in 2008. These decreases were the result of a combination of a decrease in the principal amount of notes payable outstanding and lower interest rates.

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Net income, as a percentage of total revenue, increased from 13.8% to 23.8% and from 14.6% to 22.5%, respectively, for the three-month and nine-month periods ended September 30, 2009 compared to the corresponding periods in 2008. Net income increased from \$304,809 to \$459,535 and from \$1,021,547 to \$1,291,529, respectively, for the three-month and nine-month periods ended September 30, 2009 compared to the corresponding periods in 2008. The primary reason for these increases were the reduction in overhead as a result of the Company's decision to discontinue operating new restaurants, except for the two units the Company currently operates for testing and demonstration purposes, and as a result of the Company's strategy to grow by concentrating its efforts on franchising non-traditional locations. The reduction in overhead was only partially offset by the decrease in revenue as a result of opening fewer new franchises.

In order to intensify focus on non-traditional franchising and withdraw from temporarily operating restaurants, the Company sold the excess restaurants to be operated as franchises, which reduced the Company's requirement for overhead and operating cost. For the nine-month period ended September 30, 2009, the Company is approximately \$310,000 behind in income before income taxes from its plan for 2009, as announced in the Form 10-Q for the quarterly period ended September 30, 2008. The Company anticipated more improvement in the economic environment during the last half of 2009, than has occurred.

Liquidity and Capital Resources

The Company's current strategy is to grow its business by concentrating largely on franchising new non-traditional locations and by licensing additional locations to sell its take-n-bake pizza. The Company increased its focus on selling additional franchises for non-traditional locations and created the Noble Roman's Bistro service system as an attempt to broaden the appeal to additional types of locations and operations, and to accelerate the non-traditional growth and as a further means to accelerate that growth the Company developed a take-n-bake pizza as an addition to its menu offerings. The take-n-bake pizza is designed as an add-on component for new and existing convenience store franchises, and as a stand-alone offering for grocery store chains. In addition, the Company has discontinued operating any restaurants except for the two locations the Company operates for testing and demonstration purposes. This change has allowed the Company to reduce operating expenses and overhead. This strategy does not require significant capital investments.

The Company's current ratio increased from 1.2-to-1 to 1.5-to-1 from December 31, 2008 to September 30, 2009 due to profitable operations. The Company does not expect to report any loss on discontinued operations in 2009.

As a result of the Company's strategy and cash flow expected to be generated from operations in the future, the Company believes it will have sufficient cash flow to meet its obligations and to carry out its current business plan for the foreseeable future.

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On February 4, 2008, the Company and certain of its subsidiaries, entered into a First Amendment to Loan Agreement (the "Amendment") with Wells Fargo Bank, N.A. that amended the existing Loan Agreement dated August 25, 2005, between the Company and Wells Fargo (the "Loan Agreement"). Under the Amendment, Wells Fargo loaned the Company an additional \$3.0 million. The Amendment also reduced the interest rate applicable to amounts borrowed under the Loan Agreement from LIBOR plus 4% per annum to LIBOR plus 3.75% per annum and extended the maturity date for borrowings under the loan from August 31, 2011 to August 31, 2013.

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On February 6, 2008, the Company elected to trade its previous swap contract for a new swap contract fixing the rate on 50% of the principal balance under the Loan Agreement, as amended by the Amendment (approximately \$3.375 million as of March 1, 2009), at an annual interest rate of 8.2%.

The Company does not anticipate that any of the recently issued Statement of Financial Accounting Standards will have a material impact on its Statement of Operations or its Balance Sheet.

Forward-Looking Statements

The statements contained above in Management's Discussion and Analysis concerning the Company's future revenues, profitability, financial resources, market demand and product development are forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) relating to the Company that are based on the beliefs of the management of the Company, as well as assumptions and estimates made by and information currently available to the Company's management. The Company's actual results in the future may differ materially from those projected in the forward-looking statements due to risks and uncertainties that exist in the Company's operations and business environment, including, but not limited to, competitive factors and pricing pressures, the current litigation with certain former traditional franchisees, shifts in market demand, general economic conditions and other factors including, but not limited to, changes in demand for the Company's products or franchises, the success or failure of individual franchisees, the impact of competitors' actions and changes in prices or supplies of food ingredients and labor as well as the factors discussed under "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2008. Should one or more of these risks or uncertainties materialize, or should underlying assumptions or estimates prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, expected or intended.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

The Company's exposure to interest rate risk relates primarily to its variable-rate debt. As of September 30, 2009, the Company had outstanding interest-bearing debt in the aggregate principal amount of \$6.0 million. The Company's current borrowings are at a monthly variable rate tied to the London Interbank Offered Rate ("LIBOR") plus 3.75% per annum adjusted on a monthly basis. To mitigate interest rate risk, the Company traded its previous swap contract for a new swap contract fixing the rate on 50% of the principal balance outstanding at 8.2%. Based upon the principal balance outstanding as of November 1, 2009 of \$5.75 million, for each 1.0% increase in LIBOR, the Company would incur increased interest expense of approximately \$25,300 over the succeeding twelve-month period.

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ITEM 4. Controls and Procedures

Based on his evaluation as of the end of the period covered by this report, Paul W. Mobley, the Company's Chief Executive Officer and Chief Financial Officer, has concluded that the Company's disclosure controls and procedures and internal controls of financial reporting (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) are effective. There have been no changes in internal controls over financial reporting during the period covered by this report that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

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PART II - OTHER INFORMATION

ITEM 1. Legal Proceedings.

The Company is a Defendant in a lawsuit styled Kari Heyser, Fred Eric Heyser and Meck Enterprises, LLC, et al v. Noble Roman's, Inc. et al, filed in Superior Court in Hamilton County, Indiana in June 2008. The Plaintiffs are former franchisees of the Company's traditional location venue. In addition to the Company, the Defendants include certain of the Company's officers and lenders to certain of the Plaintiffs. The Plaintiffs allege that the Defendants induced them to purchase traditional franchises through fraudulent representations and omissions of material facts regarding the franchises, and seek compensatory and punitive damages. Discovery is in progress, but has not yet been completed. Defendants filed the First Request for Production of Documents in February 2009 and certain Plaintiffs produced some documents requested by the Company. However, many of the Plaintiffs produced no documents and the Company, in July 2009, filed a Motion to Compel the production against the Plaintiffs. In September 2009 the Judge entered a Stipulated Order on the Motion to Compel stating that all Plaintiffs in this litigation were ordered to: (i) fully and completely and without objection or evasion, file written responses to the Company's Request by September 30, 2009 demonstrating what documents and things exists which are responsive to the Request and (ii) fully and completely without objection or evasion, produce all documents and things that are responsive to the Request by October 15, 2009. The Company believes that the written responses submitted by the Plaintiffs do not comply with the Order. Further, many of the Plaintiffs have not submitted any documents and most of the others have not fully complied with the Order to Compel. The Company is in the process of filing an additional Motion to Require Full Compliance with the Order to Compel and To Show Cause why they should not be held in contempt and for sanctions against the Plaintiffs. The Company is unable to estimate the amount of damages claimed by the Plaintiffs.

The Company filed a Counter-Claim for Damages against all of the Plaintiffs and moved to obtain Preliminary and Permanent Injunctions against a majority of the Plaintiffs to remedy the Plaintiffs' continuing breaches of the applicable franchise agreements. The Company's Motion for Preliminary Injunction was granted in October 2008. The Company has asserted that none of the preliminarily enjoined Plaintiffs fully complied with the Court's Order and that several of them only minimally complied. Accordingly, the Company filed a Motion to Require Full Compliance and To Show Cause why they should not be held in contempt and for attorney's fees as sanctions.

The Company filed a Motion to Revoke the Temporary Admission Pro Hac Vice of David M. Duree, Plaintiff's former counsel, for filing fraudulent affidavits with the Court. The Court granted this motion in March 2009. In the same ruling

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the Court: continued the Motion to Show Cause to allow parties time to conduct discovery, including depositions on the preliminarily enjoined Plaintiffs, on that issue; granted preliminary injunctions against Plaintiffs Gomes and Villasenor; dismissed claims against CIT Small Business Lending Corporation and PNC Bank with prejudice; and struck the fraudulent affidavits. New counsel for Plaintiffs entered his appearance in the case on behalf of the Plaintiffs in May 2009.

The Company filed a Motion for Partial Summary Judgment as to several claims in the Complaint. On September 22, 2009 the Judge granted Defendant's Motion For Partial Summary Judgment. On October 8, 2009 Plaintiffs filed a Motion To Correct Error, Reconsider And Vacate Order; Request For Clarification; Alternatively, Motion For Certification Of Appeal Of Interlocutory Order And For Stay Of Proceeding Pending Appeal. That Motion has been fully briefed by both parties and a hearing has been set for January 5, 2010.

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Some of the Plaintiffs' depositions were taken during August and September. The Company has been attempting and continues to attempt to schedule the remaining Plaintiffs for depositions. On September 29, 2009, Defendants filed a Motion to Reopen Plaintiff Dunn's deposition and require him to come to Indianapolis and resume his deposition at the Plaintiff's expense claiming that Plaintiffs' counsel wrongly interrupted a proper line of questioning and prematurely ended the deposition. A hearing on that motion has been set for January 5, 2010. On October 16, 2009, Defendants filed a motion to require Plaintiff Heyser to travel to Indianapolis for her deposition as a result of her deposition, which had been previously agreed to, being canceled at her request and agreeing, through counsel, to come to Indianapolis at a later date for the deposition. Many days later Plaintiffs' counsel denied that agreement even though it had been confirmed by email. A hearing on that motion has been set for January 5, 2010. Certain Defendants were scheduled for depositions by Plaintiffs' counsel on November 9, 10, 11 and 12, 2009, however, Plaintiffs' counsel recently canceled those depositions.

On November 6, 2009, Defendants filed a motion for Summary Judgment as to Plaintiff Brintle as a result of the testimony at his deposition. The Defendants are in the process of filing motions for Summary Judgment against all of the other Plaintiffs whose deposition have been taken.

Although there can be no assurance regarding the outcome of litigation, the Company believes that it has strong and meritorious legal and factual defenses to these claims, viable counter claims against the Plaintiffs and will vigorously defend its interests in this case.

Other than as disclosed above, the Company is involved in no other litigation requiring disclosure.

ITEM 6. Exhibits.

- (a) Exhibits: See Exhibit Index appearing on page 19.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

NOBLE ROMAN'S, INC.

Date: November 9, 2009

/s/ Paul W. Mobley

Paul W. Mobley, Chairman of the Board and
Chief Financial Officer
(Authorized Officer and Principal
Financial Officer)

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Index to Exhibits

Exhibit

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- 3.1 Amended Articles of Incorporation of the Registrant, filed as an exhibit to the Registrant's Amendment No. 1 to the Post Effective Amendment No. 2 to Registration Statement on Form S-1 filed July 1, 1985 (SEC File No.2-84150), is incorporated herein by reference.
 - 3.2 Amended and Restated By-Laws of the Registrant, as currently in effect, filed as an exhibit to the Registrant's Registration Statement on Form S-18 filed October 22, 1982 and ordered effective on December 14, 1982 (SEC File No. 2-79963C), is incorporated herein by reference.
 - 3.3 Articles of Amendment of the Articles of Incorporation of the Registrant effective February 18, 1992 filed as an exhibit to the Registrant's Registration Statement on Form SB-2 (SEC File No. 33-66850), ordered effective on October 26, 1993, is incorporated herein by reference.
 - 3.4 Articles of Amendment of the Articles of Incorporation of the Registrant effective May 11, 2000, filed as Annex A and Annex B to the Registrant's Proxy Statement on Schedule 14A filed March 28, 2000, is incorporated herein by reference.
 - 3.5 Articles of Amendment of the Articles of Incorporation of the

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Registrant effective April 16, 2001 filed as Exhibit 3.4 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2005, is incorporated herein by reference.

- 3.6 Articles of Amendment of the Articles of Incorporation of the Registrant effective August 23, 2005, filed as Exhibit 3.1 to the Registrant's current report on Form 8-K filed August 29, 2005, is incorporated herein by reference.
- 4.1 Specimen Common Stock Certificates filed as an exhibit to the Registrant's Registration Statement on Form S-18 filed October 22, 1982 and ordered effective on December 14, 1982 (SEC File No. 2-79963C), is incorporated herein by reference.
- 4.2 Form of Warrant Agreement filed as Exhibit 4.1 to the Registrant's current report on Form 8-K filed August 29, 2005, is incorporated herein by reference.
- 10.1 Employment Agreement with Paul W. Mobley dated November 15, 1994 filed as Exhibit 10.1 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2005, is incorporated herein by reference.
- 10.2 Employment Agreement with A. Scott Mobley dated November 15, 1994 filed as Exhibit 10.2 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2005, is incorporated herein by reference.
- 10.3 1984 Stock Option Plan filed with the Registrant's Form S-8 filed November 29, 1994 (SEC File No. 33-86804), is incorporated herein by reference.

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- 10.4 Noble Roman's, Inc. Form of Stock Option Agreement filed with the Registrant's Form S-8 filed November 29, 1994 (SEC File No. 33-86804), is incorporated herein by reference.
- 10.5 Loan Agreement with Wells Fargo Bank, N.A. dated August 25, 2005 filed as Exhibit 10.1 to the Registrant's current report on Form 8-K filed August 29, 2005, is incorporated herein by reference.
- 10.6 First Amendment to Loan Agreement with Wells Fargo Bank, N.A. dated February 4, 2008, filed as Exhibit 10.1 to the Registrant's report on Form 8-K filed February 8, 2008, is incorporated herein by reference.
- 21.1 Subsidiaries of the Registrant filed in the Registrant's Registration Statement on Form SB-2 (SEC File No. 33-66850) ordered effective on October 26, 1993, is incorporated herein by reference.
- 31.1 C.E.O. and C.F.O. Certification under Rule 13a-14(a)/15d-15(e).
- 32.1 C.E.O. and C.F.O. Certification under Section 1350.

