

Edgar Filing: NOBLE ROMANS INC - Form 10-Q

NOBLE ROMANS INC  
Form 10-Q  
May 14, 2012

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 March 31, 2012

Commission file number: 0-11104

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

Indiana (State or other jurisdiction of organization)	35-1281154 (I.R.S. Employer Identification No.)
One Virginia Avenue, Suite 300 Indianapolis, Indiana (Address of principal executive offices)	46204 (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 <input type="checkbox"/>	Accelerated Filer <input type="checkbox"/>
Non-Accelerated Filer <input type="checkbox"/> (do not check if smaller reporting company)	Smaller Reporting Company <input checked="" type="checkbox"/>

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 May 6, 2012, there were 19,489,317 shares of Common Stock, no par value,  
outstanding.

# Edgar Filing: NOBLE ROMANS INC - Form 10-Q

## PART I - FINANCIAL INFORMATION

### ITEM 1. Financial Statements

The following unaudited condensed consolidated financial statements are included herein:

Condensed consolidated balance sheets as of December 31, 2011 and March 31, 2012 (unaudited)	Page 3
Condensed consolidated statements of operations for the three months ended March 31, 2011 and 2012 (unaudited)	Page 4
Condensed consolidated statements of changes in stockholders' equity for the three months ended March 31, 2012 (unaudited)	Page 5
Condensed consolidated statements of cash flows for the three months ended March 31, 2011 and 2012 (unaudited)	Page 6
Notes to condensed consolidated financial statements (unaudited)	Page 7

2

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

	December 31, 2011
	-----
<b>Assets</b>	
Current assets:	
Cash	\$ 233,296
Accounts and note receivable - net	884,811
Inventories	338,447
Assets held for resale	252,552
Prepaid expenses	278,718
Deferred tax asset - current portion	1,400,000
Total current assets	----- 3,387,824 -----
Property and equipment:	
Equipment	1,147,109
Leasehold improvements	12,283
	----- 1,159,392
Less accumulated depreciation and amortization	851,007
Net property and equipment	----- 308,385

## Edgar Filing: NOBLE ROMANS INC - Form 10-Q

Deferred tax asset (net of current portion)	9,613,399
Other assets including long-term portion of notes receivable	3,914,523
	-----
Total assets	\$ 17,224,131
	=====
Liabilities and Stockholders' Equity	
Current liabilities:	
Note payable to bank	\$ 3,575,000
Accounts payable and accrued expenses	665,054
	-----
Total current liabilities	4,240,054
	-----
Long-term obligations:	
Note payable to officer	1,255,821
	-----
Total long-term liabilities	1,255,821
	-----
Stockholders' equity:	
Common stock - no par value (25,000,000 shares authorized, 19,469,317 issued and outstanding as of December 31, 2011 and 19,489,317 as of March 31, 2012)	23,239,976
Preferred stock (5,000,000 shares authorized and 20,625 issued and outstanding as of December 31, 2011 and March 31, 2012)	800,250
Accumulated deficit	(12,311,970)
	-----
Total stockholders' equity	11,728,256
	-----
Total liabilities and stockholders' equity	\$ 17,224,131
	=====

See accompanying notes to condensed consolidated financial statements.

3

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

	Three Months Ended March 31,	
	2011	2012
	-----	-----
Royalties and fees	\$ 1,674,788	\$ 1,703,566
Administrative fees and other	8,377	7,247
Restaurant revenue	118,852	126,849
	-----	-----
Total revenue	1,802,017	1,837,662
Operating expenses:		
Salaries and wages	237,644	243,459
Trade show expense	90,000	120,997
Travel expense	46,885	48,915
Other operating expenses	178,942	178,201
Restaurant expenses	118,564	119,243

Edgar Filing: NOBLE ROMANS INC - Form 10-Q

Depreciation and amortization	13,549	30,664
General and administrative	408,388	395,717
	-----	-----
Total expenses	1,093,972	1,137,196
	-----	-----
Operating income	708,045	700,466
Interest and other expense	98,652	95,929
	-----	-----
Income before income taxes	609,393	604,537
Income tax expense	241,381	239,458
	-----	-----
Net income	368,012	365,079
Cumulative preferred dividends	24,953	24,953
	-----	-----
Net income available to common stockholders	\$ 343,059	\$ 340,126
	=====	=====
Earnings per share - basic:		
Net income	\$ .02	\$ .02
Net income available to common stockholders	.02	.02
Weighted average number of common shares outstanding	19,422,650	19,477,449
Diluted earnings per share:		
Net income	\$ .02	\$ .02
Weighted average number of common shares outstanding	20,118,211	20,005,889

See accompanying notes to condensed consolidated financial statements.

4

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

	Preferred Stock -----	Common Stock Shares -----	Amount -----	Accumulated Deficit -----
Balance at December 31, 2011	\$ 800,250	19,469,317	\$ 23,239,976	\$(12,311,970)
Net income for three months ended March 31, 2012				365,079
Cumulative preferred dividends				(24,953)
Exercise of employee stock options		20,000	7,200	
Amortization of value of employee				

Edgar Filing: NOBLE ROMANS INC - Form 10-Q

stock options			25,697	
	-----	-----	-----	-----
Balance at March 31, 2012	\$ 800,250	19,489,317	\$23,272,873	\$ (11,971,844)
	=====	=====	=====	=====

See accompanying notes to condensed consolidated financial statements.

5

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

	Three Months Ended March 31,	
	2011	2012
	-----	-----
<b>OPERATING ACTIVITIES</b>		
Net income	\$ 368,012	\$ 365,079
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	64,925	40,846
Deferred income taxes	241,381	239,458
Changes in operating assets and liabilities:		
(Increase) in:		
Accounts and notes receivable	(27,081)	(138,677)
Inventories	(14,454)	(19,029)
Prepaid expenses	(80,169)	(58,195)
Other assets	(293,988)	(143,845)
(Decrease) increase in:		
Accounts payable and accrued expenses	21,578	(12,090)
	-----	-----
NET CASH PROVIDED BY OPERATING ACTIVITIES	280,204	273,547
	-----	-----
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(3,375)	(3,624)
Investment in assets held for sale	(1,403)	--
	-----	-----
NET CASH USED IN INVESTING ACTIVITIES	(4,778)	(3,624)
	-----	-----
<b>FINANCING ACTIVITIES</b>		
Payment of obligations from discontinued operations	(142,158)	(71,176)
Payment of cumulative preferred dividends	(24,953)	(24,953)
Payment of principal on outstanding debt	(275,000)	(200,000)
Payment of alternative minimum tax	--	(34,515)
Proceeds from the exercise of employee stock options	18,000	7,200
Principal payment received on notes receivable	3,807	--
Proceeds from officer loan	50,000	--
	-----	-----
NET CASH USED IN FINANCING ACTIVITIES	(370,304)	(323,444)
	-----	-----

## Edgar Filing: NOBLE ROMANS INC - Form 10-Q

Decrease in cash	(94,878)	(53,521)
Cash at beginning of period	337,044	233,296
	-----	-----
Cash at end of period	\$ 242,166	\$ 179,775
	=====	=====

Supplemental schedule of non-cash investing and financing activities

None

Cash paid for interest	\$ 86,773	\$ 77,108
------------------------	-----------	-----------

See accompanying notes to condensed consolidated financial statements.

6

### Notes to Condensed Consolidated Financial Statements (Unaudited)

-----

Note 1 - The accompanying unaudited interim condensed consolidated financial statements, included herein, have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. These condensed consolidated statements have been prepared in accordance with the Company's accounting policies described in the Annual Report on Form 10-K for the year ended December 31, 2011 and should be read in conjunction with the audited consolidated financial statements and the notes thereto included in that report. Unless the context indicates otherwise, references to the "Company" mean Noble Roman's, Inc. and its subsidiaries.

In the opinion of the management of the Company, the information contained herein reflects all adjustments necessary for a fair presentation of the results of operations and cash flows 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 three-month period ended March 31, 2012 are not necessarily indicative of the results to be expected for the full year ending December 31, 2012.

Note 2 - Royalties and fees include \$52,500 and \$74,833 for the three-month periods ended March 31, 2011 and 2012, respectively, of initial franchise fees. Royalties and fees included \$10,125 and \$9,345 for the three-month periods ended March 31, 2011 and 2012, respectively, of equipment commissions. Royalties and fees, less initial franchise fees and equipment commissions were \$1,612,163 and \$1,619,388 for the three-month periods ended March 31, 2011 and 2012, respectively. This increase resulted from an increase in royalties and fees from grocery stores of \$41,294, and an increase of \$2,055 in royalties and fees from traditional locations partially offset by a decrease of \$36,124 in royalties and fees from non-traditional locations other than grocery stores. The \$41,294 increase from royalties and fees from grocery stores reflected an increase of \$74,853 in royalties and fees from take-n-bake sales partially offset by a decrease of \$33,559 in fees from retail products. The Company has no material amount of past due royalties.

There were 1,583 outlets in operation on December 31, 2011 and 1,653 outlets in operation on March 31, 2012. During the three-month period ended March 31, 2012, there were 77 new outlets opened and seven outlets closed. In the ordinary

## Edgar Filing: NOBLE ROMANS INC - Form 10-Q

course, grocery stores from time to time add products, remove and subsequently re-offer them. Therefore, it is unknown if any grocery store licenses have left the system.

7

Note 3 - The following table sets forth the calculation of basic and diluted earnings per share for the three-month period ended March 31, 2011:

	Income (Numerator)	Shares (Denominator)
	-----	-----
Net income	\$ 368,012	19,422,650
Less preferred stock dividends	(24,953)	
	-----	
Earnings per share - basic		
Income available to common stockholders	343,059	
Effect of dilutive securities		
Options		328,895
Convertible preferred stock	24,953	366,666
	-----	-----
Diluted earnings per share		
Income available to common stockholders and assumed conversions	\$ 368,012	20,118,211

The following table sets forth the calculation of basic and diluted earnings per share for the three-month period ended March 31, 2012:

	Income (Numerator)	Shares (Denominator)
	-----	-----
Net income	\$ 365,079	19,477,449
Less preferred stock dividends	(24,953)	
	-----	
Earnings per share - basic		
Income available to common stockholders	340,126	
Effect of dilutive securities		
Options		161,774
Convertible preferred stock	24,953	366,666
	-----	-----
Diluted earnings per share		
Income available to common stockholders and assumed conversions	\$ 365,079	20,005,889

Note 4 - 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

## Edgar Filing: NOBLE ROMANS INC - Form 10-Q

Superior Court in Hamilton County, Indiana in June 2008 (Cause No. 29D01 0806 PL 739). The Court issued an Order dated December 23, 2010 granting summary judgment in favor of the Company against all of the Plaintiffs. As a result, the Plaintiffs' allegations of fraud against the Company and certain of its officers were determined to be without merit. Plaintiffs filed numerous motions and an appeal to the Indiana Court of Appeals, in an attempt to reverse the December 23, 2010 summary judgment. All of the motions failed and the Indiana Court of Appeals dismissed the appeal with prejudice. Plaintiffs' last attempt to vacate the summary judgment award was their attempt to vacate the Order on the grounds of misconduct of third parties. On December 1, 2011, the Judge denied their motion and specifically found "that there was absolutely no evidence of misconduct" and the Court admonished Plaintiffs and Plaintiffs' counsel for making such unfounded allegations. The fraud charges against the Company and certain of its officers are dismissed entirely and Plaintiffs have no appeal rights remaining. The Company then filed a motion for sanctions against the

8

Plaintiffs and their attorney for the frivolous filings. On February 28, 2012, the Court granted the Company's request for sanctions and ordered the Plaintiffs and their attorney to pay the Company \$8,326 by April 23, 2012. Plaintiffs and their attorney have asked the Court to reconsider the grant of sanctions and requested a hearing. The Judge has set a hearing for May 23, 2012. The Company obtained summary judgment on its counterclaims against the Plaintiffs; however, the amounts of damages have not yet been determined by the Court.

The Complaint was originally against the Company and certain officers and institutional lenders. The Plaintiffs are former franchisees of the Company's traditional location venue. The Plaintiffs alleged that the Defendants fraudulently induced them to purchase franchises for traditional locations through misrepresentations and omissions of material facts regarding the franchises. In addition to the above claims, one group of franchisee-Plaintiffs in the same case had asserted a separate claim under the Indiana Franchise Act on which the Court's Order denied the Company's motion for summary judgment as the Court determined that there is a genuine issue of material fact but did not render any opinion on the merits of the claim. The Company denies any liability on the Indiana Franchise Act claim and will continue to vigorously defend against this claim.

The Company filed counterclaims for damages for breach of contract against all of the Plaintiffs in the approximate amount of \$3.6 million plus attorneys' fees, interest and other cost of collection, or a total of over \$5 million. On September 21, 2011, the Company filed motions for partial summary judgment as to liability against the Plaintiffs on the Company's counterclaims. As a result, the Company was granted partial summary judgment as to liability against the Plaintiffs/Counterclaim-Defendants on the Company's counterclaims against the Plaintiffs. In this partial summary judgment, the Court determined that the Plaintiffs were liable to the Company for direct damages and consequential damages, including future royalties, for breach of their franchise agreements. In addition, the Court determined that, as a matter of law, Noble Roman's was entitled to recover attorneys' fees associated with obtaining preliminary injunctions, fees resulting from the prosecution of Noble Roman's counterclaims and fees for defending against fraud claims against the Company and certain of its officers. The amount of the award is to be determined at trial. The Company requested the Court to order mandatory mediation as to the Indiana Franchise Act claim and the Company's counterclaim for damages. The Court has agreed to grant the request but, as of yet, has not specified a date.

Note 5 - The note payable to Wells Fargo Bank, N.A. is reflected in current liabilities in the amount of \$3.4 million because, under the current amortization schedule, the entire balance is due on October 1, 2012.



## Edgar Filing: NOBLE ROMANS INC - Form 10-Q

Note 6 - As reflected on the Condensed Consolidated Statements of Cash Flows, during the three months ended March 31, 2012, the Company paid alternative minimum tax for the year 2009.

Note 7 - The Company evaluated subsequent events through the date the financial statements were issued and filed with the Securities and Exchange Commission. There were no subsequent events that required recognition or disclosure beyond what is disclosed in this report regarding refinancing of the Company's debt as discussed under Liquidity and Capital Resources.

9

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

#### General Information

Noble Roman's, Inc., an Indiana corporation incorporated in 1972 with two wholly-owned subsidiaries, Pizzaco, Inc. and N.R. Realty, Inc., sells and services franchises and licenses for non-traditional foodservice operations under the trade names "Noble Roman's Pizza", "Noble Roman's Take-N-Bake", "Tuscano's Italian Style Subs" and "Tuscano's Grab-N-Go Subs". The concepts' hallmarks include high quality pizza and sub sandwiches, along with other related menu items, simple operating systems, fast service times, labor-minimizing operations, attractive food costs and overall affordability. Since 1997, the Company has focused its efforts and resources primarily on franchising and licensing for non-traditional locations and now has awarded franchise and/or license agreements in 49 states plus Washington, D.C., Puerto Rico, the Bahamas, Italy and Canada. Although from 2005 to 2007 the Company sold some franchises for its concepts in traditional restaurant locations, the Company is currently focusing all of its sales efforts on (1) selling franchises for non-traditional locations primarily in convenience stores and entertainment facilities and (2) license agreements for grocery stores to sell the Noble Roman's Take-n-Bake Pizza. Pizzaco, Inc. is the owner and operator of the two Company locations used for testing and demonstration purposes. The Company has no plans to operate any other locations. References in this report to the "Company" are to Noble Roman's, Inc. and its subsidiaries, unless the context requires otherwise.

#### Products & Systems

The Company's non-traditional franchises provide high-quality products, simple operating systems, labor minimizing operations and attractive food costs.

#### Noble Roman's Pizza

The hallmark of Noble Roman's Pizza is "Superior quality that our customers can taste." Every ingredient and process has been designed with a view to produce superior results.

- 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

## Edgar Filing: NOBLE ROMANS INC - Form 10-Q

- distinction compared to many pizza concepts.
- o Vegetable and mushroom toppings that are sliced and delivered fresh, never canned.
- o An extended product line that includes breadsticks and cheesy stix 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.

### Noble Roman's Take-N-Bake

The Company developed a take-n-bake version of its 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 stores and as a stand-alone offering for grocery stores. The take-n-bake program in grocery stores is being offered as a license agreement rather than a franchise agreement. In convenience stores, take-n-bake is an available menu offering under the existing franchise agreement. The

10

Company uses the same high quality pizza ingredients for its take-n-bake pizza as with its standard pizza, with slight modifications to portioning for increased home baking performance.

### 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 some of 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.

### Tuscano's Grab-N-Go Subs

Noble Roman's has developed a grab-n-go service system for a selected portion of the Tuscano's menu. The grab-n-go system is designed to add sales opportunities at existing non-traditional Noble Roman's Pizza and/or Tuscano's Subs locations. Franchisees that opened prior to the development of the grab-n-go service system may add it as an option. The grab-n-go system has already been integrated into the operations of several existing locations and is now available to all franchisees. New, non-traditional franchisees have the opportunity to open with both take-n-bake pizza and grab-n-go subs when they acquire a Noble Roman's franchise or license.

### Business Strategy

-----  
The Company's business strategy includes in the following four elements:

1. Focus on revenue expansion through two primary growth vehicles:

Sales of Non-Traditional Franchises and Licenses. The Company believes that in today's macroeconomic circumstances, it has an opportunity for increasing unit growth and revenue within its non-traditional venues, particularly with convenience stores, travel plazas and entertainment facilities. The Company's franchises in non-traditional locations are foodservice providers within a host

## Edgar Filing: NOBLE ROMANS INC - Form 10-Q

business, and usually require a substantially less investment compared to a stand-alone traditional location. Non-traditional franchises and licenses are most often sold into pre-existing facilities as a service and/or revenue enhancer for the underlying business. Although the Company's current focus is on non-traditional franchise or license expansion, the Company will still seek to capitalize on other franchising opportunities as they present themselves.

As a result of the Company's major focus being on non-traditional franchising and licensing, its requirements for overhead and operating cost are significantly less than if it were focusing on traditional franchising. In addition, the Company does not operate restaurants except for two restaurants it uses for product testing, demonstration and training purposes. This allows for a more complete focus on selling and servicing franchises and licenses to pursue increased unit growth.

Licensing the Company's Take-N-Bake Program. In September 2009, the Company introduced a take-n-bake pizza as an addition to its menu offering. The take-n-bake pizza is designed as a stand-alone offering for grocery stores and an add-on component for new and existing convenience store franchisees or licensees. Since September 2009, when the Company started offering take-n-bake pizza to grocery store chains, through May 8, 2012, the Company has signed agreements with 1,084 grocery store locations to operate the take-n-bake pizza

11

program and has opened take-n-bake pizza in approximately 881 of those locations. The Company is currently in discussions with numerous grocery store operators for additional take-n-bake locations. Beginning in August 2011, the Company introduced six new "Signature Specialty Take-N-Bake Pizza" combinations to its current standard offerings. These pizzas feature unique, fun combinations of ingredients with proven customer appeal in other Company venues, and include Hawaiian pizza, Four Cheese pizza, BBQ Pork pizza, BBQ Chicken pizza, Hoppin' Jalapeno pizza and Parmesan Tomato pizza. The Company's strategy with these new combinations is to secure more shelf space in existing locations, to add to the appeal of the program in order to attract new locations, and to generally increase sales of the Company's products.

At the start of 2011, seeking to supplement the take-n-bake pizza offering and expand merchandising space, the Company introduced several carton-to-shelf retail items that require no assembly at the grocery store and help expand the merchandising visibility of the Noble Roman's brand. These items include Noble Roman's Pasta Sauce, Noble Roman's Deep-Dish Lasagna with Italian Sausage, Noble Roman's Spicy Cheese Sauce and Noble Roman's Cheesy Stix.

To further accelerate the growth of take-n-bake pizza in grocery stores, the Company has focused on signing agreements with various grocery store distributors to market the take-n-bake pizza program to the distributors' current customer base. As of May 8, 2012, the Company had signed 12 grocery distributors to the program, and continues to pursue others as well.

### 2. Leverage the results of extensive research and development advances.

The Company has invested a great deal in the time and effort to create what it considers to be competitive advantages in its product and systems for non-traditional and grocery take-n-bake locations. The Company will continue to make these investments the focal point in its marketing process. The Company believes that the quality of its products, the cost effectiveness of those products, its relatively simple production and service systems as well as its diverse, modularized menu offerings contribute to the Company's strategic advantages and growth potential. Every ingredient and process was designed with a view to producing superior results. The menu items were developed to be

## Edgar Filing: NOBLE ROMANS INC - Form 10-Q

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, and the new carton-to-shelf retail items which require no assembly. The Company believes this process results in products that are great tasting, quality consistent, easy to assemble, and relatively low in food cost requiring very low amounts of labor, allowing for a significant competitive advantage due to the speed at which its products can be prepared, baked and served to customers.

For example, in convenience stores and travel plazas, at competitive retail prices, the margins on selling Noble Roman's products, after cost of product and royalty, provides the franchisees with a gross margin on the sales of approximately 65% to 70%. The Company believes it maintains a competitive advantage in product cost by using carefully selected independent third-party manufacturers and independent third-party distributors. This allows the Company to contract for proprietary products and services with highly efficient suppliers that have the potential of keeping costs extremely low when compared to typical, competing systems whereby the franchisor attempts to own and operate production and distribution systems of their own much less efficiently.

3. Expand the Company's overall capacity to generate new franchises and licenses.

To increase the capacity of the Company to generate, follow-up on and close new franchise and licensing leads, the Company has made two strategic decisions. First, the Company's Chairman and CEO has assumed the lead position at all of

12

the Company's trade shows across the country, which is the primary means for demonstrating its product and system advantages to thousands of prospective non-traditional and grocery operators. This focus by the Company's CEO has underscored the Company's current, overriding orientation towards new revenue generation. Additionally, in January 2012, the Company recruited a new, proven sales executive to further help generate, follow-up on and close leads for new franchises, with a particular focus on its non-traditional convenience store and travel plaza venues. The Company was able to accomplish this without increasing corporate overhead by eliminating other positions and spreading those responsibilities across other, existing personnel.

4. Aggressively communicate the Company's competitive advantages to its target market of potential franchisees and licensees.

The Company utilizes four basic methods of reaching potential franchisees and licensees and to communicate its product and system advantages. These methods include calling from both acquired and in-house prospect lists, frequent direct mail campaigns to targeted prospects, web-based lead capturing, and live demonstrations at trade and food shows. In particular, the Company has found that conducting live demonstrations of its systems and products at carefully selected trade and food shows across the country allows it to demonstrate advantages that can otherwise be difficult for a potential prospect to visualize. There is no substitute for actually tasting the difference in a product's quality to demonstrate the advantages of the Company's product quality. The Company carefully selects those national and regional trade and food shows where it either has an existing relationship or considerable previous experience to know that they offer favor opportunities for fruitful lead generation.

Business Operations

-----

Distribution

## Edgar Filing: NOBLE ROMANS INC - Form 10-Q

-----  
Primarily all of the Company's products are manufactured pursuant to the Company's recipes and formulas by third-party manufacturers pursuant to contracts between the Company and the various manufacturers. The contracts require the manufacturers to produce various ingredients and sell them to Company-approved distributors at a price negotiated between the Company and the manufacturer.

At present, the Company has distribution agreements with 11 primary distributors strategically located throughout the United States. The distribution agreements require the primary distributors to maintain adequate inventories of all ingredients to meet the needs of the Company's franchisees and licensees for weekly deliveries to the franchisee/licensee locations plus the grocery store distributors in their respective territories. The primary distributors purchase the ingredients from the manufacturer, under payment terms agreed upon by the manufacturer and the distributor, and distribute the ingredients to the franchisee/licensee at a price fixed by the distribution agreement, which is their landed cost plus a contracted mark-up for distribution. Payment terms to the distributor are agreed upon between each franchisee/licensee and the distributor. In addition, the Company has agreements with 12 grocery store distributors located in various parts of the country which are required to buy their products from one of the primary distributors to distribute take-n-bake products to their grocery store customers.

### Franchising

-----  
The Company sells franchises into various non-traditional and traditional venues.

13

The initial franchise fee is as follows:

Franchise	Non-Traditional, except Hospitals	Hospitals	Traditional Stand-Alone
Noble Roman's Pizza	\$ 6,000	\$10,000	\$15,000
Tuscano's Subs	\$ 6,000	\$10,000	\$15,000
Noble Roman's & Tuscano's	\$10,000	\$18,000	\$18,000

-----  
The franchise fees are paid upon signing the Franchise Agreement and, when paid, are deemed fully earned and non-refundable in consideration of the administration and other expenses incurred by the Company in granting the franchises and for the lost and/or deferred opportunities to grant such franchises to any other party.

### Licensing

-----  
Noble Roman's Take-n-Bake Pizza licenses for grocery stores are controlled by a supply agreement. The supply agreement generally requires the licensee to purchase proprietary ingredients from a Noble Roman's approved distributor, to assemble the products using only Noble Roman's approved ingredients and recipes, to package the products using shrink wrap, to place the products in Noble

## Edgar Filing: NOBLE ROMANS INC - Form 10-Q

Roman's Pizza boxes and to display products in a manner approved by Noble Roman's using Noble Roman's point-of-sale marketing materials. Pursuant to the distribution agreements, the distributors place an additional mark-up, as determined by the Company, above their normal selling price, on the key ingredients for a fee to the Company in lieu of royalty. The distributors are to segregate this additional mark-up upon invoicing the licensee and hold the amount in trust for the Company and remit such fees to the Company within ten days after the end of each month.

### 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 demand 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.

14

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 periods ended March 31, 2011 and 2012, respectively.

	Three Months Ended March 31,	
	2011	2012
Royalties and fees	92.9 %	92.7 %
Administrative fees and other	.5	.4
Restaurant revenue	6.6	6.9
	-----	-----
Total revenue	100.0 %	100.0 %
Operating expenses:		
Salaries and wages	13.1 %	13.2 %
Trade show expense	5.0	6.6
Travel expense	2.6	2.7
Other operating expense	9.9	9.7
Restaurant expenses	6.6	6.5
Depreciation and amortization	.8	1.7
General and administrative	22.7	21.5
	-----	-----
Total expenses	60.7	61.9
	-----	-----
Operating income	39.3	38.1
Interest and other expense	5.5	5.2
	-----	-----
Income before income taxes	33.8	32.9
Income tax expense	13.4	13.0

## Edgar Filing: NOBLE ROMANS INC - Form 10-Q

	-----	-----
Net income	20.4 %	19.9 %
	=====	=====

### Results of Operations

-----

Total revenue increased from \$1,802,017 to \$1,837,662 for the three-month period ended March 31, 2012 compared to the corresponding period in 2011. One-time fees, franchisee fees and equipment commissions ("upfront fees") increased from \$62,625 to \$84,178 in the first quarter 2012 compared to the first quarter 2011. Royalties and fees increased from \$1,612,163 to \$1,619,388 for the three-month period ended March 31, 2012 compared to the corresponding period in 2011. The breakdown of royalties and fees, less upfront fees, for the three month periods ended March 31, 2011 and 2012, respectively, was: royalties and fees from non-traditional franchises other than grocery stores were \$1,050,878 and \$1,014,754; fees from the grocery stores were \$282,861 and \$324,155; and royalties and fees from traditional locations were \$278,424 and \$280,479. Included in royalties and fees from traditional locations were \$200,000 in the three-month periods of both years for royalties and fees recognized as collectible from traditional locations which are no longer operating.

Restaurant revenue increased from \$118,852 to \$126,849 for the three-month period ended March 31, 2012 compared to the corresponding period in 2011. This increase was a result of same store sales increases.

Salaries and wages increased from 13.1% of total revenue to 13.2% of total revenue for the three-month period ended March 31, 2012 compared to the corresponding period in 2011. This slight increase was the result of adding an additional sales executive in accordance with the Company's strategy to increase its efforts on franchising and licensing non-traditional locations, partially offset by the elimination of another employee by combining responsibilities. Actual salaries and wages increased from \$237,644 to \$243,459.

15

Trade show expenses increased from 5.0% of total revenue to 6.6% of total revenue for the three-month period ended March 31, 2012 compared to the corresponding period in 2011. This increase was the result of scheduling more trade shows for grocery stores consistent with the Company's strategy of accelerating the growth in the number of grocery store locations for its take-n-bake offering.

Travel expenses increased from 2.6% of total revenue to 2.7% of total revenue for the three-month period ended March 31, 2012 compared to the corresponding period in 2011. Actual travel expense increased from \$46,885 to \$48,915 for the three-month period ended March 31, 2012 compared to the corresponding period in 2011.

Other operating expenses decreased, as a percentage of total revenue, from 9.9% to 9.7% for the three-month period ended March 31, 2012 compared to the corresponding period in 2011. Actual operating expenses decreased from \$178,942 to \$178,201. The reduction in operating expenses was a result of the Company's continuing efforts to control costs.

Restaurant expenses decreased as a percentage of total revenue from 6.6% to 6.5% for the three-month period ended March 31, 2012 compared to the corresponding period in 2011. Actual restaurant operating expenses increased from \$118,564 to \$119,243. The Company only operates two restaurants which it is uses for demonstration, training and testing purposes.

## Edgar Filing: NOBLE ROMANS INC - Form 10-Q

General and administrative expenses decreased as a percentage of total revenue from 22.7% to 21.5% for the three-month period ended March 31, 2012 compared to the corresponding period in 2011. Actual general and administrative expense decreased from \$408,388 to \$395,717 for the three-month period ended March 31, 2012 compared to the corresponding period in 2011. This decrease was primarily the result of the Company's continuing efforts to control costs.

Total expenses increased as a percentage of total revenue from 60.7% to 61.9% for the three-month period ended March 31, 2012 compared to the corresponding period in 2011. Actual expenses increased from \$1,093,972 to \$1,137,196 for the three-month period ended March 31, 2012 compared to the corresponding period in 2011. These increases were primarily the result of the increase in trade show expense and the addition of a sales executive consistent with the Company's strategy to accelerate growth.

Operating income decreased as a percentage of total revenue from 39.3% to 38.1% for the three-month period ended March 31, 2012 compared to the corresponding period in 2011. Actual operating income decreased from \$708,045 to \$700,466 for the three-month period ended March 31, 2012 compared to the corresponding period in 2011. This slight decrease was a result of the Company's strategy of seeking increases in future revenue by the addition of a sales executive and additional trade shows.

Interest expense decreased as a percentage of total revenue from 5.5% to 5.2% for the three-month period ended March 31, 2012 compared to the corresponding period in 2011. This decrease was primarily the result of a decrease in the principal amount of notes payable outstanding. The Company anticipates added interest cost in the second quarter upon closing of a planned refinancing due to the write-off of the unamortized portion of the Wells Fargo loan closing cost and for terminating the interest rate swap contract; however, going forward the Company expects to have a lower effective interest rate.

Net income decreased from \$368,012 to \$365,079 for the three-month period ended March 31, 2012 compared to the corresponding period in 2011.

16

### Liquidity and Capital Resources

-----

The Company's current strategy is to grow its business by concentrating on franchising new non-traditional locations, licensing convenience stores to add Noble Roman's to their locations pursuant to a license agreement, licensing grocery stores to sell take-n-bake pizza and to sell retail products through grocery stores. The Company has developed a licensing concept for convenience stores, take-n-bake pizza for grocery stores and other retail products to sell through grocery stores all as a means to accelerate non-traditional unit growth and as a way to increase revenue without any significant increase in expenses. Additionally, the Company does not operate any restaurants except for two locations for testing and demonstration purposes. This strategy requires limited overhead and operating expense and does not require significant capital investment.

The Company's current ratio was .9-to-1 on March 31, 2012 compared to .8-to-1 on December 31, 2011.

The principal amount of the note payable to Wells Fargo Bank, N.A. is reflected in current liabilities in the amount of \$3.4 million because, under the current amortization schedule, the entire balance is due on October 1, 2012. The Company is in the process of seeking to refinance its debt with a \$5 million term loan



## Edgar Filing: NOBLE ROMANS INC - Form 10-Q

to be amortized over 48 months and with the proceeds to be used to repay the existing note to Wells Fargo Bank in the amount of \$3.4 million, to repay the note payable to officer of \$1.3 million and to pay other costs related thereto. It is anticipated that the new term loan transaction will close within the next two to three weeks. The Company expects the new term loan will bear an annual interest rate of LIBOR plus 4% compared to the annual interest rate on the Wells Fargo Bank loan of LIBOR plus 4.25% and the current note payable to officer with an annual interest rate of 8%. In addition, the existing interest rate swap contract, which the Company entered into in February 2008, will be terminated, which fixed the rate on 50% of the principal balance of the Wells Fargo loan at an annual interest rate of 8.2%.

As a result of the financial arrangements described above and the Company's cash flow projections, 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. The Company's cash flow projections are based on the Company's strategy of focusing entirely on growth in non-traditional venues and the growth in the number of grocery store locations licensed to sell the take-n-bake pizza.

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, non-renewal of franchise agreements, shifts in market demand, general economic conditions, the Company's ability to successfully complete the planned refinancing, changes in demand for the Company's products or franchises,

17

the success or failure of individual franchisees and changes in prices or supplies of food ingredients and labor as well as the factors discussed under "Risk Factors" as contained in the Company's annual report on Form 10-K. 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 March 31, 2012, the Company had outstanding variable interest-bearing debt in the aggregate principal amount of \$3.375 million. The Company's current borrowings are at a variable rate tied to the London Interbank Offered Rate ("LIBOR") plus 4.25% per annum adjusted on a monthly basis. To mitigate interest rate risk, the Company purchased a swap contract fixing the rate on 50% of the principal balance outstanding at 8.2%. The Company expects that after completion of the proposed refinancing that is in process, the Company will then have variable rate debt of \$5 million at an annual interest

## Edgar Filing: NOBLE ROMANS INC - Form 10-Q

rate of LIBOR plus 4% and the swap contract will be terminated. Based on the new debt structure, for each 1% increase in LIBOR the Company would incur increased interest expense of approximately \$44,000 over the succeeding twelve-month period.

### 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 over 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.

## 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 (Cause No. 29D01 0806 PL 739). The Court issued an Order dated December 23, 2010 granting summary judgment in favor of the Company against all of the Plaintiffs. As a result, the Plaintiffs' allegations of fraud against the Company and certain of its officers were determined to be without merit. Plaintiffs filed numerous motions and an appeal to the Indiana Court of Appeals, in an attempt to reverse the December 23, 2010 summary judgment. All of the motions failed and the Indiana Court of Appeals dismissed the appeal with prejudice. Plaintiffs' last attempt to vacate the summary judgment award was their attempt to vacate the Order on the grounds of misconduct of third parties. On December 1, 2011, the Judge denied their motion and specifically found "that there was absolutely no evidence of misconduct" and the Court admonished Plaintiffs and Plaintiffs' counsel for making such unfounded allegations. The fraud charges against the Company and certain of its officers are dismissed entirely and Plaintiffs have no appeal rights remaining. The Company then filed a motion for sanctions against the Plaintiffs and their attorney for the frivolous filings. On February 28, 2012, the Court granted the Company's request for sanctions and ordered the Plaintiffs and their attorney to

18

pay the Company \$8,326 by April 23, 2012. Plaintiffs and their attorney have asked the Court to reconsider the grant of sanctions and requested a hearing. The Judge has set a hearing for May 23, 2012. The Company obtained summary judgment on its counterclaims against the Plaintiffs; however, the amounts of damages have not yet been determined by the Court.

The Complaint was originally against the Company and certain officers and institutional lenders. The Plaintiffs are former franchisees of the Company's traditional location venue. The Plaintiffs alleged that the Defendants fraudulently induced them to purchase franchises for traditional locations through misrepresentations and omissions of material facts regarding the franchises. In addition to the above claims, one group of franchisee-Plaintiffs in the same case had asserted a separate claim under the Indiana Franchise Act on which the Court's Order denied the Company's motion for summary judgment as the Court determined that there is a genuine issue of material fact but did not render any opinion on the merits of the claim. The Company denies any liability on the Indiana Franchise Act claim and will continue to vigorously defend against this claim.

Edgar Filing: NOBLE ROMANS INC - Form 10-Q

The Company filed counterclaims for damages for breach of contract against all of the Plaintiffs in the approximate amount of \$3.6 million plus attorneys' fees, interest and other cost of collection, or a total of over \$5 million. On September 21, 2011, the Company filed motions for partial summary judgment as to liability against the Plaintiffs on the Company's counterclaims. As a result, the Company was granted partial summary judgment as to liability against the Plaintiffs/Counterclaim-Defendants on the Company's counterclaims against the Plaintiffs. In this partial summary judgment, the Court determined that the Plaintiffs were liable to the Company for direct damages and consequential damages, including future royalties, for breach of their franchise agreements. In addition, the Court determined that, as a matter of law, Noble Roman's was entitled to recover attorneys' fees associated with obtaining preliminary injunctions, fees resulting from the prosecution of Noble Roman's counterclaims and fees for defending against fraud claims against the Company and certain of its officers. The amount of the award is to be determined at trial. The Company requested the Court to order mandatory mediation as to the Indiana Franchise Act claim and the Company's counterclaim for damages. The Court has agreed to grant the request but, as of yet, has not specified a date.

ITEM 6. Exhibits.

(a) Exhibits: See Exhibit Index appearing on page 21.

19

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: May 14, 2012

By: /s/ Paul W. Mobley

-----  
Paul W. Mobley, Chairman,  
Chief Executive Officer,  
Chief Financial Officer  
and Principal Accounting Officer  
(Authorized Officer and Principal  
Financial Officer)

20

Index to Exhibits

Exhibit Number	Description
-------------------	-------------

## Edgar Filing: NOBLE ROMANS INC - Form 10-Q

- 
- 
- 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 Form 8-K filed December 23, 2009, 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 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 January 2, 1999 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 January 2, 1999 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

## Edgar Filing: NOBLE ROMANS INC - Form 10-Q

incorporated herein by reference.

- 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 Settlement Agreement with SummitBridge dated August 1, 2005, filed as Exhibit 99.2 to the Registrant's current report on Form 8-K filed August 5, 2005, is incorporated herein by reference.
- 10.6 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.
- 10.7 First Amendment to Loan Agreement with Wells Fargo Bank, N.A. dated February 4, 2008, filed as Exhibit 10.1 to the Registrant's current report on Form 8-K filed February 8, 2008, is incorporated herein by reference.
- 10.8 Registration Rights Agreement dated August 1, 2005 between the Company and SummitBridge National Investments filed as an Exhibit to the Registrant's Form S-1 filed on April 19, 2006, is incorporated herein by reference.
- 10.9 Second Amendment to Loan Agreement with Wells Fargo Bank, N.A. dated November 10, 2010 filed as Exhibit 10.7 to the Registrant's current report on Form 10-Q filed on November 10, 2010, is incorporated herein by reference.
- 10.10 Third Amendment to Loan Agreement with Wells Fargo Bank, N.A. dated March 10, 2011, filed as Exhibit 10.10 to the Registrant's current report on Form 10-K filed on March 13, 2012, is incorporated herein by reference.
- 10.11 Promissory Note payable to Paul Mobley dated November 1, 2010 filed as Exhibit 10.8 to the Registrant's current report on Form 10-Q filed November 10, 2010, is incorporated herein by reference.
- 10.12 Fourth Amendment to Loan Agreement with Wells Fargo Bank, N.A. dated July 19, 2011, filed as Exhibit 10.12 to the Registrant's current report on Form 10-K filed on March 13, 2012, is incorporated herein by reference.
- 10.13 Fifth Amendment to Loan Agreement with Wells Fargo Bank, N.A. dated October 28, 2011, filed as Exhibit 10.13 to the Registrant's current report on Form 10-K filed on March 13, 2012, is incorporated herein by reference.
- 10.14 Sixth Amendment to Loan Agreement with Wells Fargo Bank, N.A. dated December 1, 2011, filed as Exhibit 10.14 to the Registrant's current report on Form 10-K filed on March 13, 2012, is incorporated herein by reference.
- 10.15 Seventh Amendment to Loan Agreement with Wells Fargo Bank, N.A. dated January 30, 2012, filed as Exhibit 10.15 to the

## Edgar Filing: NOBLE ROMANS INC - Form 10-Q

Registrant's current report on Form 10-K filed on March 13, 2012, is incorporated herein by reference.

- 10.16 Amended Promissory Note to Paul Mobley dated December 21, 2011, filed as Exhibit 10.16 to the Registrant's current report on Form 10-K filed on March 13, 2012, 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-14(a)
- 32.1 C.E.O. and C.F.O. Certification under Section 1350
- 101 Interactive Financial Data