NOBLE ROMANS INC
Form 10-K
March 19, 2009

U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K

(Mark one)

X Annual Report Pursuant to Section 13 or 15(d) of the Securities
--- Exchange Act of 1934 for the fiscal year ended December 31, 2008.

Transition Report Pursuant to Section 13 or 15 (d) of the
--- Securities Exchange Act of 1934 for the transition period from ____ to____.

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 of incorporation or organization)	(I.R.S. Employer Identification No.)

One Virginia Avenue, Suite 800
Indianapolis, Indiana 46204
(Address of principal executive offices)

Registrant's telephone number: (317) 634-3377
Securities registered under Section 12(b) of the Act: None
Securities registered under Section 12(g) of the Act: Common Stock

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes --- No X ---

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes --- No X ---

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 X --- No ---

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (ss.229,405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. X ---

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

Large Accelerated Filer	---	Accelerated Filer	---
Non-Accelerated Filer		Smaller Reporting Company	X

(do not check if a smaller --- ---
reporting company)

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

The aggregate market value of the common stock held by non-affiliates of the registrant as of June 30, 2008, the last business day of the registrant's most recently completed second fiscal quarter, based on the closing price of the registrant's common shares on such date was $8.2 million.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date: 19,412,499 shares of common stock as of March 1, 2009.

Documents Incorporated by Reference: None.

NOBLE ROMAN'S, INC.
FORM 10-K
Year Ended December 31, 2008
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PART 1

ITEM 1. BUSINESS

General Information

Noble Roman's, Inc., an Indiana corporation incorporated in 1972 (the "Company"), sells and services franchises for non-traditional and co-branded foodservice operations under the trade names "Noble Roman's Pizza", "Noble Roman's Bistro" and "Tuscano's Italian Style 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 for non-traditional and co-branded locations and now has awarded franchises in 45 states plus Washington, D.C., Puerto Rico, Guam, Italy and Canada. In 2005 the Company began selling franchises for its concepts in traditional locations. In August 2006 the Company began selling development territories to Area Developers in an attempt to accelerate growth in the dual-branded traditional concept. However, with the current economic environment and difficulties in obtaining third party financing, the Company believes its non-traditional franchises currently offer more favorable growth potential, therefore, the Company is focusing all of its sales efforts on selling franchises for non-traditional locations. Prior to 1997, the Company had approximately 25 years' experience operating pizza restaurants in traditional locations, giving it expertise in the design and support of foodservice systems for franchisees. Royalties and franchise fees from the Company's franchise operations were $8,084,175, $10,411,326 and $7,561,440 for 2006, 2007 and 2008, respectively. Royalties and fees from franchise operations accounted for 85.2%, 90.0% and 83.6% of total revenue for 2006, 2007 and 2008, respectively. Other financial information about the Company's business, including revenue, profit and loss and total assets, is detailed in Item 8 - Financial Statements and Supplementary Data.

Products & Systems

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.

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 produce superior results. We believe the following make our product unique:

- Crust made with only specially milled flour with above average protein and yeast.
- Fresh packed, uncondensed sauce made with secret spices, parmesan cheese and vine-ripened tomatoes.

- 100% real cheese blended from mozzarella and muenster, with no soy additives or extenders.

- 100% real meat toppings, again with no additives or extenders - a real departure from many pizza concepts.

- Vegetable and mushroom toppings that are sliced and delivered fresh, never canned.

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- An extended product line that includes breadsticks with dip, pasta, baked sandwiches, salads, wings and a line of breakfast products.

- 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 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.

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.

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 wide

variety of standard breakfast favorites. Customers move along the food display counter and are served to order as they go.

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, 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. Through focusing on non-traditional franchise expansion, the Company will still seek to capitalize on other franchising opportunities as they present themselves.

With the intensified focus on non-traditional franchising, the Company's requirements for overhead and operating cost will be substantially less. In addition, the Company has discontinued operating restaurants, by selling all but two of the restaurants to be operated as franchises, which will also substantially reduce the Company's requirements for overhead and operating cost for the foreseeable future. The Company does intend to continue operating the two locations that it uses for testing and demonstration purposes. This change will allow 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. After making these changes, the Company believes it has created the opportunity to achieve its business plan for 2009 and the anticipated results that were announced in the Company's Form 10-Q for the quarterly period ended September 30, 2008.

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 current service systems offered in its Noble Roman's Pizza and Tuscano's Italian Style Subs concepts, the Bistro is designed to appeal to additional types of businesses and operational objectives with its fresh food display and serve-to-order serving system. Though sometimes 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.

Maintain Superior Product Quality. The Company believes that the quality of its products will contribute to the growth of both its non-traditional and 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. 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.

Competition

The restaurant industry in general is very competitive with respect to convenience, price, product quality and service. In addition, the Company competes for franchise sales on the basis of product engineering and quality, investment cost, cost of sales, distribution, simplicity of operation and labor requirements. Actions by one or more of the Company's

competitors could have an adverse effect on the Company's ability to sell additional franchises, maintain and renew existing franchises or sell its products through its franchise system. Many of the Company's competitors are very large, internationally established companies.

Within the competitive environment of the non-traditional franchise segment of the restaurant industry, management has defined what it believes to be certain competitive advantages for the Company. First, several of the Company's competitors in the non-traditional segment are also large chains operating thousands of franchised, traditional restaurants. Because of the contractual relationships with many of their franchisees, some competitors may be unable to offer wide-scale site availability for potential non-traditional franchisees. The Company is not faced with any significant geographic restrictions.

Several of the Company's competitors in the non-traditional segment were established with little or no organizational history in owning and operating traditional foodservice locations. This lack of operating experience may be a limitation for them in attracting and maintaining non-traditional franchisees who, by the nature of the segment, often have little exposure to foodservice operations themselves. The Company's background in traditional restaurant operations has provided it experience in structuring, planning, marketing, and cost controlling franchise unit operations which may be of material benefit to franchisees.

Seasonality of Sales

Direct sales of non-traditional franchises may be affected by certain seasonalities and holiday periods. Franchise sales to certain non-traditional venues may be slower around major holidays such as Thanksgiving and Christmas, and during the first quarter of the year. Franchise sales to other non-traditional venues show less or no seasonality. Additionally, in middle and northern climates where adverse winter weather conditions may hamper outdoor travel or activities, foodservice sales by franchisees may be sensitive to sudden drops in temperature or precipitation which would in turn affect Company royalties.

Employees

As of March 1, 2009, the Company employed approximately 27 persons full-time and 16 persons on a part-time, hourly basis. No employees are covered under collective bargaining agreements, and the Company believes that relations with its employees are good.

Trademarks and Service Marks

The Company owns and protects several trademarks and service marks. Many of these, including NOBLE ROMAN'S (R), Noble Roman's Pizza(R), THE BETTER PIZZA

PEOPLE (R) and Tuscano's Italian Style Subs(R) are registered with the U.S. Patent and Trademark Office as well as with the corresponding agencies of certain other foreign governments. The Company believes that its trademarks and service marks have significant value and are important to its sales and marketing efforts.

Government Regulation

The Company and its franchisees are subject to various federal, state and local laws affecting the operation of our respective businesses. Each franchise location is subject to licensing and regulation by a number of governmental authorities, which include health, safety, sanitation, building and other agencies

and ordinances in the state or municipality in which the facility is located. The process of obtaining and maintaining required licenses or approvals can delay or prevent the opening of a franchise location. Vendors, such as our third party production and distribution services, are also licensed and subject to regulation by state and local health and fire codes, and U. S. Department of Transportation regulations. The Company, its franchisees and its vendors are also subject to federal and state environmental regulations.

The Company is subject to regulation by the Federal Trade Commission ("FTC") and various state agencies pursuant to federal and state laws regulating the offer and sale of franchises. Several states also regulate aspects of the franchisor-franchisee relationship. The FTC requires us to furnish to prospective franchisees a disclosure document containing certain specified information. Some states also regulate the sale of franchises and require registration of a franchise disclosure document with state authorities. Substantive state laws that regulate the franchisor-franchisee relationship presently exist in a substantial number of states, and bills have been introduced in Congress from time to time that would provide for additional federal regulation of the franchisor-franchisee relationship in certain respects. State laws often limit, among other things, the duration and scope of non-competition provisions and the ability of a franchisor to terminate or refuse to renew a franchise. Some foreign countries also have disclosure requirements and other laws regulating franchising and the franchisor-franchisee relationship, and the Company would be subject to applicable laws in each jurisdiction where it seeks to market additional franchised units.

Available Information

We make available, free of charge through our Internet website (http://www.nobleromans.com), our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K and amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable after we electronically file these reports with, or furnish them to, the Securities and Exchange Commission. The information on our website is not incorporated into this annual report.

ITEM 1A. RISK FACTORS

All phases of the Company's operations are subject to a number of uncertainties, risks and other influences, many of which are outside of its control and any one of which, or a combination of which, could materially affect its results of

operations. Important factors that could cause actual results to differ materially from the Company's expectations are discussed below. Prospective investors should carefully consider these factors before investing in our securities as well as the information set forth under "Forward-Looking Statements" in Item 7 of this report. These risks and uncertainties include:

Competition from larger companies.

The Company competes for franchise sales with large national companies and numerous regional and local companies. Many of its competitors have greater financial and other resources than the Company. The restaurant industry in general is intensely competitive with respect to convenience, price, product quality and service. In addition, the Company competes for franchise sales on the basis of several factors, including product engineering and quality, investment cost, cost of sales, distribution, simplicity of operation and labor requirements. Activities of the Company's competitors could have an adverse effect on the Company's ability to sell additional franchises or maintain and renew existing franchises or operating results of the Company's franchise system. As a result of these factors, the Company may have difficulty competing effectively from time to time or in certain markets.

Dependence on growth strategy.

The Company's primary growth strategy consists of selling new franchises for non-traditional locations. The opening and success of new non-traditional locations will depend upon various factors, including the traffic generated by and viability of the underlying activity or business, the ability of the franchisee to operate the franchised location, their ability to comply with applicable regulatory requirements and the effect of competition and general economic and business conditions including food and labor costs. Many of the foregoing factors are not within the Company's control. There can be no assurance that the Company will be able to achieve its plans with respect to the opening or operation of new non-traditional locations.

Dependence on success of franchisees.

A significant portion of the Company's earnings comes from royalties generated by its franchises. Franchisees are independent operators, and their employees are not the Company's employees. The Company provides training and support to franchisees, but the quality of franchise store operations may be diminished by any number of factors beyond the Company's control. Consequently, franchisees may not successfully operate stores in a manner consistent with the Company's standards and requirements, or may not hire and train qualified managers and other store personnel. If they do not, the Company's image and reputation may suffer, and its revenues and stock price could decline. While the Company attempts to ensure that its franchisees maintain the quality of its brand and branded products, franchisees may take actions that adversely affect the value of the Company's intellectual property or reputation.

Dependence on consumer preferences and perceptions.

The restaurant industry is often affected by changes in consumer tastes, national, regional and local economic conditions, demographic trends, traffic patterns and the type, number and location of competing restaurants. The Company can be substantially adversely affected by publicity resulting from food quality, illness, injury, or other health concerns or operating issues stemming from one restaurant or a limited number of restaurants.

Interruptions in supply or delivery of fresh food products.

Dependence on frequent deliveries of fresh product from unrelated third-party manufacturers through unrelated third-party distributors also subjects the Company to the risk that shortages or interruptions in

supply caused by inclement weather or other conditions could adversely affect the availability, quality and cost of ingredients. In addition, factors such as inflation, market conditions for cheese, wheat, meats, paper and labor may also adversely affect the franchisees and, as a result, adversely affect the Company's ability to add new franchised restaurants.

Dependence on key executives.

The Company's business has been and will continue to be dependent upon the efforts and abilities of certain members of its management, particularly Paul Mobley, our Chairman, Chief Executive Officer and Chief Financial Officer, and A. Scott Mobley, our President and Chief Operating Officer. The loss of either of their services could have a material adverse effect on the Company.

The Company is subject to ongoing litigation.

As described in Item 3 of this report, the Company is a defendant in a lawsuit filed by certain of its former traditional franchisees. The plaintiffs in this lawsuit allege that they purchased traditional franchises from the Company as a result of certain fraudulent representations by the defendants in the case and the omission of certain material facts regarding the franchises. If the Company is subject to adverse findings in this litigation, it could be required to pay damages or have other remedies imposed, which could have a material adverse effect on the Company. The resolution of this matter could also be time-consuming, expensive and distract the Company's management from the conduct of the Company's business. The Company believes that it has strong and meritorious legal and factual defenses to these claims and will vigorously defend its interest in the case.

The Company is subject to Indiana law with regard to purchases of our stock.

Certain provisions of Indiana law applicable to the Company could have the effect of making it more difficult for a third party to acquire, or of discouraging a third party from attempting to acquire, control of the Company. Such provisions could also limit the price that certain investors might be willing to pay in the future for shares of its common stock. These provisions include prohibitions against certain business combinations with persons that become "interested shareholders" (persons owning or controlling shares with voting power equal to 10% or more) unless the board of directors approves either the business combination or the acquisition of stock before the person becomes an "interested shareholder."

The Company and its franchisees are subject to various federal, state and local laws with regard to the operation of the businesses.

The Company is subject to regulation by the FTC and various state agencies pursuant to federal and state laws regulating the offer and sale of franchises. Several states also regulate aspects of the franchisor-franchisee relationship. The FTC requires the Company to furnish to prospective franchisees a disclosure document containing certain specified information. Some states also regulate the sale of franchises and require registration of a franchise disclosure document with state authorities. Substantive state laws that regulate the franchisor-franchisee relationship presently exist in a substantial number of states, and bills have been introduced in Congress from time to time that would

provide for federal regulation of the franchisor-franchisee relationship in certain respects. The state laws often limit, among other things, the duration and scope of non-competition provisions and the ability of a franchisor to terminate or refuse to renew a franchise. Some foreign countries also have disclosure requirements and other laws regulating

franchising and the franchisor-franchisee relationship, and the Company would be subject to applicable laws in each jurisdiction where it seeks to market additional franchise units.

Each franchise location is subject to licensing and regulation by a number of governmental authorities, which include health, safety, sanitation, building and other agencies and ordinances in the state or municipality in which the facility is located. The process of obtaining and maintaining required licenses or approvals can delay or prevent the opening of a franchise location. Vendors, such as the Company's third party production and distribution services, are also licensed and subject to regulation by state and local health and fire codes, and U. S. Department of Transportation regulations. The Company, its franchisees and its vendors are also subject to federal and state environmental regulations.

The Company's stock is quoted on the OTC Bulletin Board and, accordingly, we are not subject to the same corporate governance standards that would apply if our shares were listed on a national exchange, which limits the liquidity and price of our securities more than if our securities were quoted or listed on a national exchange.

Our stock is quoted on the OTC Bulletin Board, an NASD-sponsored and operated inter-dealer automated quotation system for equity securities not included on the Nasdaq Stock Market. We are not subject to the same corporate governance requirements that apply to exchange-listed companies. These requirements include having: a majority of independent directors; an audit committee of independent directors; and shareholder approval of certain equity compensation plans. As a result, quotation of our stock on the OTC Bulletin Board limits the liquidity and price of our stock more than if our stock was quoted or listed on a national exchange. There is no assurance that the Company's stock will continue to be authorized for quotation by the OTC Bulletin Board or any other market in the future.

Compliance with external assurance requirements of the Sarbanes-Oxley Act of 2002 will require substantial financial and management resources.

The Company will be required to comply with the external assurance requirements of Section 404 of the Sarbanes-Oxley Act of 2002 beginning with our Annual Report on Form 10-K for the year ending December 31, 2009. Section 404 requires us to evaluate and report on our system of internal controls over financial reporting, however, the Company is not currently required to have its auditor report on management's evaluation of our system of internal controls or certify its compliance with the rules related to its system of internal controls. If we fail to maintain the adequacy of our internal controls, we could be subject to various sanctions. Any inability to provide reliable financial reports could harm our business. Any failure to implement required new or improved controls, or difficulties encountered in the implementation of adequate controls over our financial processes and reporting in the future, could harm our operating results or cause us to fail to meet our reporting obligations. Inferior internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our stock.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

The Company's headquarters are located in 7,600 square feet of leased office space in Indianapolis, Indiana. The lease for this property expires in August 2015.

The Company also leases space for the Company-owned dual-branded restaurant in Indianapolis, Indiana which is used as a demonstration and test restaurant. The lease for this property expires December 31, 2010. The Company has the option to extend the term of this lease for two additional five-year periods.

The Company leases space for operating an additional dual-branded restaurant in Indianapolis, Indiana. The lease for this property expires December 5, 2010. The Company has the option to extend the term of this lease for two additional five-year periods. This lease also provides for the Company to assign the lease to a franchisee when it is franchised.

ITEM 3. LEGAL PROCEEDINGS

The Company, from time to time, is involved in various litigation relating to claims arising out of its normal business operations.

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 on June 19, 2008 (Cause No. 29D01 0806 PL 739). The Plaintiffs in the case are all former franchisees of the Company. 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 they purchased traditional franchises as a result of certain fraudulent representations by the Defendants and the omission of certain material facts regarding the franchises and seek compensatory and punitive damages. No substantive discovery has yet been completed. The Company believes that it has strong and meritorious legal and factual defenses to these claims and will vigorously defend its interests in this case.

The Company filed a Counter-Claim for Damages against all of the Plaintiffs and Preliminary Injunction and Permanent Injunction against a majority of the Plaintiffs. In addition, the Company filed a Motion For Preliminary Injunction against a majority of the Plaintiffs, all of which are former franchisees and the Preliminary Injunction was granted on October 7, 2008. The Plaintiffs were ordered to comply within seven days for the majority of actions required by the injunction and within 14 days for the remainder. None of the Plaintiffs fully complied with the Court's Order and the Company believes several of them only minimally complied. Defendants filed a motion to require full compliance, to show cause why they should not be held in contempt and for attorney's fees as sanctions. The Plaintiffs responded to that motion by filing affidavits by each of the Plaintiffs. After reviewing those affidavits, Defendants filed a Motion To Strike Plaintiff's Fraudulent Affidavits claiming that they neither contained a valid declaration or affirmation nor appeared before a valid notary who administered the oath, although Plaintiffs attorney signed the affidavits as if they had appeared before him, which Defendants claim is a criminal offense. Plaintiffs filed Response to Noble Roman's Motion To Strike Plaintiffs Affidavits by attempting to withdraw the original affidavits and substituting

certified affirmations. Defendants have filed a Reply In Support of Motion To Strike Fraudulent Affidavits claiming that Plaintiffs tacitly admitted that the original affidavits were fraudulent by not denying any of the claims in the Motion To Strike but, instead, attempted to file new affidavits. Defendants have subsequently filed a Motion To Revoke David M.

Duree's Temporary Admission Pro Hac Vice for committing a criminal offense and filing fraudulent affidavits with the court. The Plaintiffs have filed a motion for sanctions against certain Defendants and their counsel.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

The Company's common stock is included on Nasdaq "Electronic Bulletin Board" and trades under the symbol "NROM."

The following table sets forth for the periods indicated, the high and low bid prices per share of common stock as reported by Nasdaq. The quotations reflect inter-dealer prices without retail mark-up, mark-down or commissions and may not represent actual transactions.

	2007		2008	
Quarter Ended:	High	Low	High	Low
March 31	$ 4.50	$ 3.60	$ 1.35	$ 1.21
June 30	$ 7.40	$ 4.05	$ 1.30	$ 1.15
September 30	$ 7.80	$ 5.05	$ .79	$ .67
December 31	$ 6.20	$ 1.40	$ .38	$ .35

Holders of Record

As of February 28, 2009, there were approximately 323 holders of record of the Company's common stock. This excludes persons whose shares are held of record by a bank, brokerage house or clearing agency.

Dividends

The Company has never declared or paid dividends on its common stock. The Company intends to retain earnings to fund the development and growth of its business and does not expect to pay any dividends on its common stock within the foreseeable future.

Sale of Unregistered Securities

None.

Equity Compensation Plan Benefit Information

Information about the Company's equity compensation plan is detailed in Item 12

ITEM 6. SELECTED FINANCIAL DATA (In thousands except per share data)

	Year Ended December 31,			
Statement of Operations Data:	2004	2005	2006	2007
Royalties and fees	$ 6,789	$ 7,270	$ 8,084	$ 10,4
Administrative fees and other	125	72	63	
Restaurant revenue	998	1,089	1,340	1,0
Total revenue	7,912	8,431	9,487	11,5
Operating expenses	2,522	2,627	2,921	4,3
Restaurant operating expenses	962	1,059	1,284	1,0
Depreciation and amortization	50	70	84	
General and administrative	1,403	1,491	1,550	1,6
Operating income	2,975	3,184	3,648	4,4
Interest and other	946	817	776	6
Other income	--	2,801	--	--
Income before income taxes from continuing operations	2,029	5,168	2,872	3,7
Income taxes	690	1,757	976	1,2
Net income from continuing operations	1,339	3,411	1,896	2,4
Loss from discontinued operations	(404)	(560)	--	--
Net income (loss)	$ 935	$ 2,851	$ 1,896	$ 2,4
Cumulative preferred dividends	--	16	163	1
Net income available to common stockholders	$ 935	$ 2,835	$ 1,733	$ 2,3
Weighted average number of common shares	16,280	16,849	16,406	17,6
Net income from continuing operations	$ .06	$ .17	$ .12	$.
Net income (loss) per share	$ .06	$ .17	$ .12	$.
Net income (loss) available to common stockholders	$ .06	$ .17	$ .11	$.
Balance Sheet Data (at year end):				
Working capital	$ 2,107	$ 2,793	$ 3,423	$ 3,8
Total assets	15,249	15,523	16,138	17,4
Long-term obligations, net of current portion	9,740	7,125	5,625	4,1
Stockholders' equity	$ 4,256	$ 6,513	$ 8,617	$ 11,3

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Introduction

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

There were 823 franchised outlets in operation on December 31, 2007 and 829 on December 31, 2008. During that twelve-month period there were 74 new franchised outlets opened and 68 franchised outlets left the system, 18 of which reached the end of their franchise agreement term and 50 of which ceased operation for other reasons.

Financial Summary

The preparation of the consolidated financial statements in conformity with United States 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 evaluates the carrying values of its assets, including property, equipment and related costs, accounts receivable and deferred tax asset, periodically 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.

Condensed Consolidated Statement of Operations Data
Noble Roman's, Inc. and Subsidiaries

	Years Ended December 31,				
	2006		2007		2008
Royalties and fees	$ 8,084,175	85.2%	10,411,326	90.0%	7,561,4
Administrative fees and other	63,072	.7	67,467	.6	48,0
Restaurant revenue	1,339,555	14.1	1,088,022	9.4	1,432,4
Total revenue	9,486,802	100.0	11,566,815	100.0	9,041,9
Franchise-related operating expenses:					
Salaries and wages	1,278,319	13.5	1,642,529	14.2	1,366,8
Trade show expense	447,303	4.7	554,574	4.8	488,0
Travel expense	380,763	4.0	527,455	4.6	386,0
Sales commissions	72,343	.8	621,928	5.4	62,9
Other operating expense	742,104	7.8	1,024,399	8.9	880,4
Restaurant expenses	1,283,702	13.5	1,011,146	8.7	1,369,1

Depreciation	84,353	.9	96,682	.8	91,7
General and administrative	1,550,030	16.3	1,680,284	14.5	1,624,0
Operating income	3,647,887	38.5	4,407,818	38.1	2,772,7
Interest and other expense	776,028	8.2	650,802	5.6	616,3
Income before income taxes	2,871,859	30.3	3,757,016	32.5	2,156,4
Income taxes	976,432	10.3	1,268,489	11.0	733,1
Net income from continuing operations	$ 1,895,427	20.0%	$ 2,488,527	21.5%	1,423,2

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2008 Compared with 2007

Total revenue decreased from $11.6 million in 2007 to $9.0 million in 2008. This decrease was primarily due to a decrease in royalties and fees as a result of selling fewer franchises, less equipment commissions and less Area Development Agreements. Royalties and fees decreased from approximately $10.4 million in 2007 to approximately $7.6 million in 2008. Included in royalties and fees were approximately $1,221,500 in 2007 and $353,500 in 2008 for initial franchise fees. In addition, royalties and fees included approximately $1,537,700 in 2007 and $104,825 in 2008, for the sale of Area Development Agreements. Also included in royalties and fees were approximately $891,300 in 2007 and approximately $397,200 in 2008, for equipment commissions. Royalty and fee income, less initial franchise fees, area development fees and equipment commissions, were $6.8 million in 2007 and $6.7 million in 2008.

Restaurant revenues increased from $1.1 million in 2007 to $1.4 million in 2008. The Company only intends to operate two restaurants to be used for testing and demonstration purposes but from time to time did temporarily operate others until a suitable franchisee was located. Although, as of December 31, 2008, the Company was operating only the two restaurants, it operated more restaurants on a temporary basis during 2008 than 2007.

Salaries and wages increased from 14.2% of revenue in 2007 to 15.1% of revenue in 2008. This increase was primarily the result of the decrease in revenue. Actual salaries and wages decreased from $1.64 million in 2007 to $1.37 million in 2008 and is anticipated to be further reduced in 2009.

Trade show expenses increased from 4.8% of revenue in 2007 to 5.4% of revenue in 2008. The increase was primarily the result of the decrease in revenue. Actual trade show expenses decreased from $555 thousand in 2007 to $488 thousand in 2008. This expense is anticipated to be lower in 2009.

Travel expenses decreased from 4.6% of revenue in 2007 to 4.3% of revenue in 2008. This decrease was primarily the result of having fewer supervisors and trainers because of opening fewer new restaurants which was offset by the decrease in revenue. The trend toward lower travel expenses is anticipated to continue in 2009.

Sales commission expense decreased from 5.4% of revenue in 2007 to .7% of revenue in 2008. This decrease was primarily the result of selling fewer Area Development Agreements and fewer Franchise Agreements in 2008 compared to 2007.

Other operating expenses increased from 8.9% of revenue in 2007 to 9.7% of revenue in 2008. This increase was primarily the result of the decrease in revenue. Actual other operating expenses decreased from approximately $1.024 million in 2007 to $880 thousand in 2008. This decrease was primarily due to the reduction of expenses related to staff reductions.

Restaurant expenses increased from 8.7% of revenue in 2007 to 15.2% of revenue in 2008. This increase was primarily the result of the Company operating more restaurants on a temporary basis in 2008 and the decrease in royalty and fee revenue. The Company only intends to operate two restaurants to be used for testing and demonstration purposes but did temporarily operate others until a franchisee was located. The Company currently does not have any plans to operate any other restaurants. Although, as of December 31, 2008, the Company only operated the two restaurants, it operated more restaurants on a temporary basis during 2008 than 2007.

General and administrative expenses increased from 14.5% of revenue in 2007 to 18.0% of revenue in 2008. This increase was a result of the decrease in revenue. Actual general and administrative expenses were $1.680 million in 2007 and $1.624 million in 2008 and are anticipated to be further reduced in 2009.

Operating income decreased from $4.4 million in 2007 to $2.8 million in 2008. This was primarily the result of the decrease in royalty and fee revenue as a result of selling fewer franchises, less equipment commissions and less Area Development Agreements partially offset by a decrease in operating expenses.

Interest expense increased from 5.6% of revenue in 2007 to 6.8% of revenue in 2008. This was a result of the decrease in revenue. Actual interest expense was approximately $651 thousand in 2007 compared to $616 thousand in 2008. The actual loan balance was higher in 2008 than 2007 but was more than offset by a lower interest rate.

Net income from continuing operations decreased from $2.5 million in 2007 to $1.4 million in 2008. This decrease was primarily the result of the decrease in revenue partially offset by a decrease in operating expenses.

Net income per share from continuing operations decreased from $.14 per share on 17.7 million weighted average shares outstanding in 2007 to $.07 per share on 19 million weighted average shares outstanding in 2008. The diluted net income per share from continuing operations decreased from $.13 per share on 19.0 million weighted average shares outstanding in 2007 to $.07 per share on 20 million weighted average shares outstanding in 2008.

Loss on discontinued operations was $3.8 million in 2008. The Company reported no discontinued operations in 2007. The loss on discontinued operations was primarily the result of operating traditional restaurants which had been acquired from struggling franchisees and later sold to new franchisees. Noble Roman's made the decision in late 2008 to discontinue that business and charged off or dramatically lowered the carrying value of all receivables related to the traditional restaurants and accrued future estimated expenses related thereto. The Company does not expect to report any loss on discontinued operations in 2009.

2007 Compared with 2006

Total revenue increased from $9.5 million in 2006 to $11.6 million in 2007. This increase was primarily the result of an increase in royalties and fees from the

addition of new franchises. Royalties and fees increased from approximately $8.1 million in 2006 to approximately $10.4 million in 2007. Included in royalties and fees were approximately $963,000 in 2006 and $1,221,500 in 2007 for initial franchise fees. In addition, royalties and fees included approximately $707,000 in 2006 and $1,537,700 in 2007, for the sale of Area Development Agreements. Also included in royalties and fees were approximately $891,300 in 2007 and approximately $533,900 in 2006, for equipment commissions. Royalty and fee income, less initial franchise fees, area development fees and equipment commissions, were $6.8 million in 2007 and $5.9 million in 2006.

Restaurant revenues decreased from $1.3 million in 2006 to $1.1 million in 2007. The Company only intends to operate two restaurants to be used for testing and demonstration purposes but from time to time temporarily operates others until a suitable franchisee is located. As of December 31, 2007, the Company operated six restaurants on a temporary basis.

Salaries and wages remained increased from 13.5% of revenue in 2006 to 14.2% of revenue in 2007. This increase was primarily the result of adding additional supervisors to cover a larger base of units.

Trade show expenses increased from 4.7% of revenue in 2006 to 4.8% of revenue in 2007. The increase in the level of expense from participating in more franchise shows, was mostly offset by the increased revenue.

Travel expenses increased from 4.0% of revenue in 2006 to 4.6% in 2007. This increase was primarily the result of having more supervisors to support the franchisees.

Sales commission expense increased from 0.8% of revenue in 2006 to 5.4% of revenue in 2007. This increase was primarily the result of selling more Area Development Agreements in 2007 and more franchises sold by Area Developers.

Other operating expenses increased from 7.8% of revenue in 2006 to 8.9% of revenue in 2007. This increase was primarily the result of additional advertising and an increase in group insurance, payroll taxes and auto expense resulting from the increase in the number of supervisors who support the franchisees.

Restaurant expenses decreased from 13.5% of revenue in 2006 to 8.7% of revenue in 2007. This decrease resulted primarily from the Company operating fewer restaurants on a temporary basis in 2007 and the increase in royalty and fee revenue.

General and administrative expenses decreased from 16.3% of revenue in 2006 to 14.5% of revenue in 2007. This decrease was a result of administrative expense increasing at a slower rate compared to the growth in revenue.

Operating income increased from $3.6 million in 2006 to $4.4 million in 2007. This was primarily the result of additional revenue from growth in the number of franchise locations while the Company controlled operating expenses.

Interest expense decreased from 8.2% of revenue in 2006 to 5.6% of revenue in 2007. This was a result of a decrease in interest expense due to a reduction in the average amount of debt outstanding and, additionally, the result of an increase in revenue.

Net income from continuing operations increased from $1.9 million in 2006 to $2.5 million in 2007. This increase was primarily the result of additional revenue from growth in the number of franchise locations while maintaining

control of the operating expenses.

Net income per share from continuing operations increased from $.12 per share on 16.4 million weighted average shares outstanding in 2006 to $.14 per share on 17.7 million weighted average shares outstanding in 2007. The diluted net income per share from continuing operations increased from $.10 on 19.7 million weighted average shares outstanding in 2006 to $.13 per share on 19.0 million weighted average shares outstanding in 2007.

Impact of Inflation

The primary inflation factors affecting the Company's operations are food and labor costs to the franchisee. The Company was affected in 2008 by the dramatic increase in commodity prices, primarily cheese and meats, which negatively affected its franchisees' food costs. The commodity prices returned to a more normal level during the latter part of 2008 and the beginning of 2009. The competition for labor has resulted in higher salaries and wages for the franchisees, however, that effect is largely minimized by the relatively low labor requirements of the Company's franchise concepts.

Liquidity and Capital Resources

The Company's current strategy is to grow its business by concentrating largely on franchising new non-traditional locations. The Company recently 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. 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 significantly reduce operating expenses and overhead. This strategy does not require significant capital investments.

The Company's current ratio decreased during 2008 as a result of the loss incurred on the discontinued operations. The deferred tax asset increased, by the tax benefit, as a result of the loss on discontinued operations. Also, accounts receivable decreased as a result of the Company's decision to discontinue the business of operating traditional restaurants which had been acquired from struggling franchisees and charging off, or dramatically lowering the carrying value, of all receivables related to the traditional restaurants. In addition, the accrued expenses increased in 2008 as a result of the Company accruing estimates of future expenses related to the discontinued operations. The Company does not expect to report any loss on discontinued operations in 2009.

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 a franchise which will substantially reduce the Company's requirement for overhead and operating cost. After making these changes, subject to worsening economic conditions, the Company has created the opportunity to achieve management's business plan for 2009 and the anticipated results that were announced in the Company's Form 10-Q for the quarterly period ended September 30, 2008. The Company does not plan any significant capital expenditures in 2009.

As a result of the Company's strategy and cash flow 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.

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.

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.

Contractual Obligations

The following table sets forth the contractual obligations of the Company as of December 31, 2008:

	Total	Less than 1 year	1-3 Years	3-5 Years	More than 5 years
Long-term debt	$7,125,000	$1,500,000	$3,000,000	$2,625,000	$ --
Operating leases	959,830	176,255	374,041	252,022	157,512
Total	$8,084,830	$1,676,255	$3,374,041	$2,877,022	$ 157,512

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 above under "Risk Factors." 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 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company's exposure to interest rate risk relates primarily to its variable-rate debt. As of December 31, 2008, the Company had outstanding interest-bearing debt in the aggregate principal amount of $7.125 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 March 1, 2009 of $6.75 million for each 1.0% increase in LIBOR, the Company would incur increased interest expense of approximately $30,300 over the succeeding twelve-month period.

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Consolidated Balance Sheets
Noble Roman's, Inc. and Subsidiaries

	Decem
	2007
Assets	
Current assets:	
Cash	$ 832,207
Accounts and notes receivable - net	1,770,994
Inventories	310,362
Assets held for resale	643,915
Prepaid expenses	175,022
Current portion of long-term notes receivable	133,736
Deferred tax asset - current portion	1,971,875
Total current assets	5,838,111
Property and equipment:	
Equipment	1,289,795
Leasehold improvements	107,729
	1,397,524
Less accumulated depreciation and amortization	755,987
Net property and equipment	641,537
Deferred tax asset (net of current portion)	9,106,008
Other assets including long-term portion of notes receivable - net	1,883,644
Total assets	$ 17,469,300
Liabilities and Stockholders' Equity	
Current liabilities:	
Current portion of long-term note payable	$ 1,500,000
Accounts payable	254,813

Accrued expenses	277,451
Total current liabilities	2,032,264
Long-term obligations:	
Note payable to bank (net of current portion)	4,125,000
Total long-term liabilities	4,125,000
Stockholders' equity:	
Common stock - no par value (25,000,000 shares authorized, 19,187,499 issued and outstanding as of December 31, 2007 and 19,412,499 issued and outstanding as of December 31, 2008)	22,905,617
Preferred stock (5,000,000 shares authorized, 20,625 issued and outstanding as of December 31, 2007 and December 31, 2008)	800,250
Accumulated deficit	(12,393,830)
Total stockholders' equity	11,312,036
Total liabilities and stockholders' equity	$ 17,469,300

See accompanying notes to consolidated financial statements.

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Consolidated Statements of Operations
Noble Roman's, Inc. and Subsidiaries

	Year Ended December 31,		
	2006	2007	2008
Royalties and fees	$ 8,084,175	$ 10,411,326	$ 7,561,440
Administrative fees and other	63,072	67,467	48,084
Restaurant revenue	1,339,555	1,088,022	1,432,435
Total revenue	9,486,802	11,566,815	9,041,959
Operating expenses:			
Salaries and wages	1,278,319	1,642,529	1,366,861
Trade show expense	447,303	554,574	488,012
Travel expense	380,763	527,455	386,018
Sales commissions	72,343	621,928	62,960
Other operating expenses	742,104	1,024,399	880,464
Restaurant expenses	1,283,702	1,011,146	1,369,139
Depreciation and amortization	84,353	96,682	91,736
General and administrative	1,550,030	1,680,284	1,624,022
Operating income	3,647,887	4,407,818	2,772,747
Interest and other expense	776,028	650,802	616,333
Income before income taxes from continuing operations	2,871,859	3,757,016	2,156,414
Income tax expense	976,432	1,268,489	733,180

Net income from continuing operations	1,895,427	2,488,527	1,423,234
Loss from discontinued operations net of tax benefit of $2,508,433 for 2008	--	--	3,824,397
Net income (loss)	1,895,427	2,488,527	(2,401,163
Cumulative preferred dividends	163,200	127,116	66,181
Net income (loss) available to common stockholders	$ 1,732,227	$ 2,361,411	$ (2,467,344
Earnings per share - basic:			
Net income from continuing operations	$ .12	$ .14	$ .07
Net income (loss)	$ .12	$ .14	$ (.13
Net income (loss) available to common stockholders	$ .11	$ .13	$ (.13
Weighted average number of common shares outstanding	16,405,995	17,675,834	19,213,522
Diluted earnings per share:			
Net income from continuing operations	$ .10	$ .13	$ .07
Net income (loss)	$ .10	$ .13	$ (.12
Weighted average number of common shares outstanding	19,702,988	18,973,291	20,147,150

See accompanying notes to consolidated financial statements.

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

	Preferred Stock	Common Stock Shares	Common Stock Amount	Accumulated Deficit
Balance at December 31, 2005	1,978,800	16,322,136	21,021,632	(16,487,470)
2006 net income				1,895,427
Cumulative preferred dividends				(163,200)
Exercise of employee stock options		46,250	67,807	
Amortization of value of employee stock options			11,077	
Exercise of warrants from previous debt holders		234,275	292,844	
Balance at December 31, 2006	$ 1,978,800	16,602,661	$ 21,393,360	$(14,755,243)
2007 net income				2,488,527
Cumulative preferred				

dividends				(127,116)
Exercise of employee stock options		130,750	143,358	
Amortization of value of employee stock options			26,631	
Conversion of preferred stock to common stock	(1,178,550)	539,994	1,178,550	
Exercise of warrants from previous debt holders		130,975	163,719	
Cashless exercise of warrants		1,783,119		
Balance at December 31, 2007	$ 800,250	19,187,499	$ 22,905,618	$(12,393,832)
2008 net loss				(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	
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)

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows
Noble Roman's, Inc. and Subsidiaries

	Year ended December 31		
	2006	2007	
OPERATING ACTIVITIES			
Net income (loss)	$ 1,895,427	$ 2,488,527	$
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	162,543	191,432	
Non-cash expense from loss on discontinued operations	--	--	
Deferred income taxes	976,433	1,268,489	
Changes in operating assets and liabilities:			
(Increase) decrease in:			
Accounts and notes receivable	(536,577)	(1,074,561)	
Inventories	6,155	(94,805)	

Prepaid expenses	(234,506)	(266,358)
Other assets	(93,200)	(255,521)
Increase (decrease) in:		
Accounts payable	(173,275)	136,519
NET CASH PROVIDED BY OPERATING ACTIVITIES	2,003,532	2,393,722
INVESTING ACTIVITIES		
Purchase of property and equipment	(33,362)	(107,941)
Assets held for resale	15,532	(312,539)
NET CASH USED BY INVESTING ACTIVITIES	(17,830)	(420,480)
FINANCING ACTIVITIES		
Payment of obligations from discontinued operations	(676,469)	(929,484)
Payment of cumulative preferred dividends	(163,200)	(127,116)
Payment of principal on outstanding debt	(1,500,000)	(1,500,000)
Payment received on long-term notes receivable	173,498	187,898
Proceeds from issuance of long-term debt, net of debt issue costs	--	--
Proceeds from the exercise of stock options and warrants	360,651	307,076
NET CASH USED BY FINANCING ACTIVITIES	(1,805,520)	(2,061,627)
Increase (decrease) in cash	179,650	(88,383)
Cash at beginning of year	740,940	920,590
Cash at end of year	$ 920,590	$ 832,207

Supplemental Schedule of Non-Cash Investing and Financing Activities:

The holders of 1,215,000 in liquidation value of preferred stock exchanged their preferred stock for 539,994 shares of common stock in 2007. The holders of warrants to purchase 2,000,000 shares of stock exercised the cashless exercise provisions of the warrants in 2007 and were issued 1,783,119 shares of common stock.

See accompanying notes to consolidated financial statements.

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Notes to Consolidated Financial Statements
Noble Roman's, Inc. and Subsidiaries

Note 1: Summary of Significant Accounting Policies

Organization: The Company sells and services franchises for non-traditional and co-branded foodservice operations under the trade names "Noble Roman's Pizza", "Tuscano's Italian Style Subs" and "Noble Roman's Bistro".

Principles of Consolidation: The consolidated financial statements include the accounts of Noble Roman's, Inc. and its wholly owned subsidiaries, Pizzaco, Inc. and N.R. Realty, Inc. (collectively, the "Company"). Inter-company balances and

transactions have been eliminated in consolidation.

Inventories: Inventories consist of food, beverage, restaurant supplies, restaurant equipment and marketing materials and are stated at the lower of cost (first-in, first-out) or market.

Property and Equipment: Equipment and leasehold improvements are stated at cost. Depreciation and amortization are computed on the straight-line method over the estimated useful lives ranging from five years to 12 years. Leasehold improvements are amortized over the shorter of estimated useful life or the term of the lease.

Cash and Cash Equivalents: Includes actual cash balance plus cash invested overnight pursuant to agreement with bank. Neither the cash or cash equivalents are pledged nor are there any withdrawal restrictions.

Advertising Costs: The Company records advertising costs consistent with Statement of Position 93-7 "Reporting on Advertising Costs." This statement requires the Company to expense advertising production costs the first time the production material is used.

Fair Value of Financial Instruments: The Company's current borrowings are at a monthly variable rate tied to LIBOR. 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%.

Use of Estimates: The preparation of the consolidated financial statements in conformity with United States 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 could differ from those estimates. The Company records a valuation allowance in a sufficient amount to adjust the total notes and accounts receivables value, in its best judgment, to reflect the amount that the Company estimates will be collected from its total receivables. As any accounts are determined to be uncollectible, they are charged off against the valuation allowance. The Company evaluates its assets held for resale, property and equipment and related costs periodically to assess whether any impairment indications are present, including recurring operating losses and significant adverse changes in legal factors or business climate that affect the recovery of recorded value. If any impairment of an individual asset is evident, a loss would be provided to reduce the carrying value to its estimated fair value.

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Intangible Assets: Debt issue costs are amortized to interest expense ratably over the term of the applicable debt. The debt issue cost being amortized is $438,236 with accumulated amortization at December 31, 2006 of $89,487, December 31, 2007 of $156,603 and December 31, 2008 of $207,243.

Royalties, Administrative and Franchise Fees: Royalties are recognized as income monthly and are based on a percentage of monthly sales of franchised restaurants. Administrative fees are recognized as income monthly as earned. Initial franchise fees are recognized as income when the services for the franchised restaurant are substantially completed. Area development fees, since they are fully earned and non-refundable when received, are recognized as income when received.

Income Taxes: The Company provides for current and deferred income tax liabilities and assets utilizing an asset and liability approach along with a

valuation allowance as appropriate. The Company concluded that no valuation allowance was necessary because it is more likely than not that the Company will earn sufficient income before the expiration of its net operating loss carry forwards to fully realize the value of the recorded deferred tax asset. As of December 31, 2008, the net operating loss carry-forward was approximately $30 million which expires between the years 2012 and 2023. Management made the determination that no valuation allowance was necessary after reviewing the Company's business plans, all known facts to date, recent trends, current performance and analysis of the backlog of franchises sold but not yet open.

Basic and Diluted Net Income (Loss) Per Share: Net income (loss) per share is based on the weighted average number of common shares outstanding during the respective year. When dilutive, stock options and warrants are included as share equivalents using the treasury stock method.

The following table sets forth the calculation of basic and diluted earnings per share for the year ended December 31, 2006:

	Income (Numerator)	Shares (Denominator)	Per-Share Amount
Net income	$ 1,895,427		
Less preferred stock dividends	(163,200)		
Earnings per share - basic			
Income available to common stockholders	1,732,227	16,405,995	$ .11
Effect of dilutive securities			
Warrants	--	2,251,653	
Options	--	138,673	
Convertible preferred stock	163,200	906,667	
Diluted earnings per share			
Income available to common stockholders and assumed conversions	$ 1,895,427	19,702,988	$ .10

The following table sets forth the calculation of basic and diluted earnings per share for the year ended December 31, 2007:

	Income (Numerator)	Shares (Denominator)	Per-Share Amount
Net income	$ 2,488,527		
Less preferred stock dividends	(127,116)		
Earnings per share - basic			
Income available to common stockholders	2,361,411	17,675,834	$ .13
Effect of dilutive securities			
Warrants	--	858,333	

	Income	Shares	Per-Share
Options	--	72,458	
Convertible preferred stock	127,116	366,666	
Diluted earnings per share			
Income available to common stockholders and assumed conversions	$ 2,488,527	18,973,291	$ .13

The following table sets forth the calculation of basic and diluted loss per share for the year ended December 31, 2008:

	Income (Numerator)	Shares (Denominator)	Per-Share Amount
Net loss	$(2,401,163)		
Less preferred stock dividends	(66,181)		
Loss per share - basic			
Loss available to common stockholders	(2,467,344)	19,213,522	$ (.13)
Effect of dilutive securities			
Warrants	--	230,660	
Options	--	336,302	
Convertible preferred stock	66,181	366,666	
Diluted loss per share			
Loss available to common stockholders and assumed conversions	$(2,401,163)	20,147,150	$ (.12)

Note 2: Accounts and Notes Receivable

In 2008, as a result of the shift in focus to selling non-traditional franchises, discontinuing operating restaurants until a franchisee could be located and a current economic environment, the Company charged off or substantially lowered the carrying value of its receivables. As a result of this reduction, the Company anticipates that substantially all of its receivables, as of December 31, 2008, will be collected and at December 31, 2007 the notes and accounts receivable were shown net of a $656,712 allowance.

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Note 3: Notes Payable

In conjunction with a Settlement Agreement with SummitBridge National Investments, LLC and related entities, Noble Roman's obtained a new six-year term loan, on August 25, 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. On February 4, 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 $3.0 million 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. 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 at an annual interest rate of 8.2%. The unpaid balance on the Amended Note as of December 31, 2008 was $7,125,000. Interest paid on this Note was $569,523 in 2008, $598,211 in 2007 and $721,930 in 2006. The Note's principal amortization is as follows: $1.5 million in 2009, $1.5 million 2010, $1.5 million in 2011, $1.5 million in 2012 and $1.125 million in 2013. The Company's obligations under the loan are secured by the grant of a security interest in its personal property and certain restrictions apply such as a prohibition on the payment of dividends, all as defined in the loan agreement. The cumulative (gain) loss difference between interest from the swap contract compared to interest expense on the term loan was ($8,393), ($14,537) and $62,698 for the years ended December 31, 2006, 2007 and 2008, respectively.

Note 4: Royalties and Fees

Approximately $963,000, $1,221,500 and $353,500 are included in the 2006, 2007 and 2008, respectively, royalties and fees in Consolidated Statement of Operations for initial franchise fees. In addition, the Consolidated Statement of Operations reflects approximately $707,000, $1,537,700 and $104,825 in 2006, 2007 and 2008, respectively, of royalties and fees for the sale of Area Development Agreements. Also included in royalties and fees were approximately $533,856, $891,300 and $397,200 in 2006, 2007 and 2008, respectively, for equipment commissions. Most of the cost for the services required to be performed by the Company are incurred prior to the franchise fee income being recorded which is based on contractual liability for the franchisee. For the most part, the Company's ongoing royalty income is 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.

In conjunction with the development of Noble Roman's Pizza and Tuscano's Italian Style Subs, the Company has devised its own recipes for many of the ingredients that go into the making of its products ("Proprietary Products"). The Company contracts with various manufacturers to manufacture its Proprietary Products in accordance with the Company's recipes and formulas and to sell those products to authorized distributors at a contract price which includes an allowance for use of the Company's recipes. The manufacturing contracts also require the manufacturers to remit those allowances to the Company on a periodic basis, usually monthly. The Company recognizes those allowances in revenue as earned based on sales reports from the distributors.

There were 823 franchised outlets in operation on December 31, 2007 and 829 on December 31, 2008. During that twelve-month period there were 74 new franchised outlets opened and 68 franchised outlets left the system, 18 of which reached the end of their franchise agreement term and 50 of which ceased operation for other reasons.

Note 5: Contingent Liabilities for Leased Facilities

The Company formerly leased its restaurant facilities under non-cancelable lease agreements which generally had initial terms ranging from five to 20 years with extended renewal terms. All of these leases have been terminated or assigned to franchisees who operate them pursuant to a Noble Roman's, Inc. Franchise Agreement. The assignment passes all liability for future lease payments to the assignees, however, the Company remains contingently liable on a portion of the leases to the landlords in the event of default by the assignees. The leases generally required the Company or its assignees to pay all real estate taxes, insurance and maintenance costs. The leases provided for a specified annual rental, and some leases called for additional rental based on sales volume over

specified levels at that particular location. At December 31, 2008, contingent obligations under non-cancelable operating leases for 2009, 2010, 2011, 2012, 2013 and after 2013 were approximately $113,663, $87,963, $88,863, $89,763, $90,663 and $187,580, respectively.

The Company has future obligations under current operating leases of $959,830 as follows: due in less than one year $176,255, due in one to three years $374,041, due in three to five years $252,022 and due in more than five years $157,512.

Note 6: Income Taxes

The Company had a deferred tax asset, as a result of prior operating losses, of $11,077,883 at December 31, 2007 and $12,853,137 at December 31, 2008, most of which expires between the years 2012 and 2028. In 2006, 2007 and 2008, the Company used deferred benefits to offset its tax expense of $976,432, $1,268,489 and $733,180, respectively, and tax benefits from loss on discontinued operations of $2,508,434 in 2008. The Company reduced its valuation allowance in 2007 by $2,074,253 and in 2008 by $120,975 and reflected that reduction in the discontinued operations. As a result of the tax credits, the Company did not pay any income taxes in 2006, 2007 and 2008. There are no material differences between reported income tax expense or benefit and the income tax expense or benefit that would result from applying the Federal and state statutory tax rates.

Note 7: Common Stock

During 2006, certain warrant holders exercised their warrants to purchase 234,275 shares of common stock and various employees exercised stock options for 45,250 shares of common stock.

During 2007, certain warrant holders exercised their warrants to purchase 130,975 shares of common stock and various employees exercised stock options for 130,750 shares of common stock. In addition, certain warrant holders with warrants for the purchase of 2,000,000 shares exercised, pursuant to the cashless exercise provision of the warrants, those warrants and received 1,783,119 shares of common stock.

During 2008, certain warrant holders exercised their warrants to purchase 10,000 shares of common stock and an employee exercised its option to purchase 15,000 shares of common stock.

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At December 31, 2008 the Company had outstanding warrants to purchase common stock as follows:

# Common Shares Represented	Exercise Price	Warrant Expiration Date
100,000	$ .75	6/2/2009
1,000,000	$ .93	6/30/2011
50,000	$ .95	9/26/2010
600,000	$ .93	1/24/2011

The Company has an incentive stock option plan for key employees and officers. The options are generally exercisable three years after the date of grant and expire ten years after the date of grant. The option prices are the fair market value of the stock at the date of grant. At December 31, 2008, the Company had the following employee stock options outstanding:

# Common Shares Represented	Exercise Price
750	$1.46

20,000	$1.45
40,000	$ .55
46,000	$ .83
20,000	$1.10
58,500	$2.30
465,000	$ .36

As of December 31, 2008, options for 106,750 shares were exercisable.

The Company had issued and outstanding, on December 31, 2006, Series B Preferred Stock with a liquidation value of $2,040,000 which was convertible, after December 31, 2006, at the option of the holder to common stock at a conversion price of $2.25 per share. During 2007, the holders representing $1,215,000 in liquidation value of the Series B Preferred Stock converted to 539,994 shares of common stock. On December 31, 2007 and December 31, 2008, the Company had issued and outstanding Series B Preferred Stock with a liquidation value of $825,000, which provides for cumulative dividends of 8% per annum on the liquidation value. The Company, at its option, may redeem the Series B Preferred Stock after December 31, 2008 at the liquidation value.

The Company adopted SFAS No. 123R using the modified prospective method of adoption, which does not require restatement of prior periods. Under the modified prospective method, the Company is required to record compensation expense for all awards granted after the date of adoption and for the unvested portion of previously granted awards that remain outstanding at the date of adoption, net of an estimate of expected forfeitures. Under SFAS No. 123R, compensation expense is based on the estimated fair values of stock options determined on the date of grant and is recognized over the related vesting period, net of an estimate of expected forfeitures.

The Company estimates the fair value of its option awards on the date of grant using the Black-Scholes option pricing model. The risk-free interest rate is based on external data while all other assumptions are determined based on the Company's historical experience with stock options. No options were granted in 2007. The following assumptions were used for grants in 2008:

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Expected volatility	30%
Expected dividend yield	None
Expected term (in years)	5
Risk-free interest rate	3.56%

The following table sets forth the number of options outstanding as of December 31, 2006, 2007 and 2008 and the number of options granted, exercised or forfeited during the year ended December 31, 2007 and the year ended December 31, 2008:

Balance of employee stock options outstanding as of 12/31/2006	351,500
Stock options granted during the year ended 12/31/07	0
Stock options exercised during the year ended 12/31/07	(130,750)
Stock options forfeited during the year ended 12/31/07	(20,500)
Balance of employee stock options outstanding as of 12/31/07	200,250
Stock options granted during the year ended 12/31/08	485,000

Stock options exercised during the year ended 12/31/08	(15,000)
Stock options forfeited during the year ended 12/31/08	(20,000)
Balance of employee stock options outstanding as of 12/31/08	650,250

Note 8: Statement of Financial Accounting Standards

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

Note 9: Loss from Discontinued Operations

Loss on discontinued operations was $3.8 million in 2008 and none in 2007 and 2006. Losses from discontinued operations of $2.0 million in 2007 and $1.5 million in 2006 were offset by decreasing the valuation allowance for its deferred tax credit. The Company has elected to focus all of its efforts on non-traditional franchises. The loss on discontinued operations was primarily the result of operating traditional restaurants which had been acquired from struggling franchisees and later sold to new franchisees. The Company has made the decision to discontinue that business and charged off or dramatically lowered the carrying value of all receivables related to the traditional restaurants and accrued future estimated expenses related thereto. The Company does not expect to generate revenue or incur expenses from the sale of similar products or services to customers of the disposed components. The disposed components were accounted for as discontinued operations since the direct cash flows of the components have been eliminated from the ongoing operations of the Company and the Company will not have any continuing financial involvement in the disposed components.

Note 10: Contingencies

The Company, from time to time, is involved in various litigation relating to claims arising out of its normal business operations.

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 on June 19, 2008 (Cause No. 29D01 0806 PL 739). The Plaintiffs in the case are all former franchisees of the Company. 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 they purchased traditional franchises as a result of certain fraudulent representations by the Defendants and the omission of certain material facts regarding the franchises and seek compensatory and punitive damages. No substantive discovery has yet been completed. The Company believes that it has strong and meritorious legal and factual defenses to these claims and will vigorously defend its interests in this case.

The Company filed a Counter-Claim for Damages against all of the Plaintiffs and Preliminary Injunction and Permanent Injunction against a majority of the Plaintiffs. In addition, the Company filed a Motion For Preliminary Injunction against a majority of the Plaintiffs, all of which are former franchisees and the Preliminary Injunction was granted on October 7, 2008. The Plaintiffs were ordered to comply within seven days for the majority of actions required by the injunction and within 14 days for the remainder. None of the Plaintiffs fully complied with the Court's Order and the Company believes several of them only minimally complied. Defendants filed a motion to require full compliance, to

show cause why they should not be held in contempt and for attorney's fees as sanctions. The Plaintiffs responded to that motion by filing affidavits by each of the Plaintiffs. After reviewing those affidavits, Defendants filed a Motion To Strike Plaintiff's Fraudulent Affidavits claiming that they neither contained a valid declaration or affirmation nor appeared before a valid notary who administered the oath, although Plaintiffs attorney signed the affidavits as if they had appeared before him, which Defendants claim is a criminal offense. Plaintiffs filed Response to Noble Roman's Motion To Strike Plaintiffs Affidavits by attempting to withdraw the original affidavits and substituting certified affirmations. Defendants have filed a Reply In Support of Motion To Strike Fraudulent Affidavits claiming that Plaintiffs tacitly admitted that the original affidavits were fraudulent by not denying any of the claims in the Motion To Strike but, instead, attempted to file new affidavits. Defendants have subsequently filed a Motion To Revoke David M. Duree's Temporary Admission Pro Hac Vice for committing a criminal offense and filing fraudulent affidavits with the court. The Plaintiffs have filed a motion for sanctions against certain Defendants and their counsel.

Note 11: Certain Relationships and Related Transactions

The following is a summary of transactions to which the Company and certain officers and directors of the Company are a party or have a financial interest. The Board of Directors of the Company has adopted a policy that all transactions between the Company and its officers, directors, principal shareholders and other affiliates must be approved by a majority of the Company's disinterested directors, and be conducted on terms no less favorable to the Company than could be obtained from unaffiliated third parties.

Douglas Coape-Arnold was paid $79,200 in consulting fees in 2006, $79,200 in consulting fees in 2007 and $79,200 in consulting fees in 2008.

For information with respect to executive compensation, see Item 11 of this report.

Note 12: Unaudited Quarterly Financial Information

2008	Quarter Ended			
	December 31	September 30	June 30	March 31
	(in thousands, except per share data)			
Total revenue	$ 2,058	$2,212	$2,422	$2,350
Operating income	758	612	761	641
Income from continuing operations before income taxes	609	461	599	487
Net income from continuing operations	402	305	395	321
Loss from discontinued operations	3,824	--	--	--
Net income (loss)	(3,422)	305	395	321
Net income from continuing operations per common share				
Basic	.02	.02	.02	.02
Diluted	.02	.02	.02	.02
Net income (loss) per common share				

Basic	(.18)	.02	.02	.02
Diluted	(.17)	.02	.02	.02

	Quarter Ended			
2007	December 31	September 30	June 30	March 31
	(in thousands, except per share data)			
Total revenue	$ 2,673	$2,959	$3,080	$2,855
Operating income	738	1,198	1,233	1,239
Income before income taxes	591	1,035	1,066	1,065
Net income	389	693	704	703
Net income per common share				
Basic	.02	.04	.04	.04
Diluted	.02	.03	.04	.04

[LETTERHEAD OF SOMERSET CPAs]

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of
NOBLE ROMAN'S, INC. AND SUBSIDIARIES
Indianapolis, Indiana

We have audited the accompanying consolidated balance sheets of NOBLE ROMAN'S, INC. AND SUBSIDIARIES, as of December 31, 2008 and 2007, and the related consolidated statements of operations, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2008. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of NOBLE ROMAN'S, INC. AND SUBSIDIARIES, as of December 31, 2008 and 2007, and the results of its operations and its cash flows for each of the three years in the period ended

December 31, 2008, in conformity with accounting principles generally accepted in the United States of America.

/s/ Somerset CPAs, P.C.

Indianapolis, Indiana
March 19, 2009

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Exchange Act Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Our management, including Paul W. Mobley, the Company's Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2008.

Internal Control Over Financial Reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the Company's board of directors, management, and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with United States generally accepted accounting principles ("GAAP") and includes those policies and procedures that:

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Public Company Accounting Oversight Board's Auditing Standard No. 5 defines a material weakness as a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim

financial statements will not be prevented or detected on a timely basis. A deficiency in internal control over reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

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 (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.

This annual report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit the Company to provide only management's report in this annual report.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS OF THE REGISTRANT AND CORPORATE GOVERNANCE

The executive officers and directors of the Company are:

Name	Age	Positions with the Company
Paul W. Mobley	68	Chairman of the Board, Chief Executive Officer, Chief Financial Officer
A. Scott Mobley	45	President, Secretary and Director
Douglas H. Coape-Arnold	63	Director
Troy Branson	45	Executive Vice President of Franchising
Mitchell Grunat	56	Vice President of Franchise Services
Michael B. Novak	51	Vice President of Product Development, Purchasing and Distribution
James D. Bales	39	Vice President of Operations

The executive officers of the Company serve at the discretion of the Board of Directors and are elected at the annual meeting of the Board. Directors serve one-year terms or until their successors are elected and qualified. The following is a brief description of the previous business background of the executive officers and directors:

Paul W. Mobley has been Chairman of the Board, Chief Executive Officer and Chief

Financial Officer since December 1991 and a Director since 1974. Mr. Mobley was President of the Company from 1981 to 1997. From 1975 to 1987, Mr. Mobley was a significant shareholder and president of a company which owned and operated 17 Arby's franchise restaurants. From 1974 to 1978, he also served as Vice President and Chief Operating Officer of the Company and from l978 to 1981 as Senior Vice President. He is the

father of A. Scott Mobley. Mr. Mobley has a B.S. in Business Administration from Indiana University and is a CPA. Mr. Mobley is also a Director of Monroe Bancorp.

A. Scott Mobley has been President since October 1997 and a Director since January 1992, and Secretary since February 1993. Mr. Mobley was Vice President from November 1988 to October 1997 and from August 1987 until November 1988 served as Director of Marketing for the Company. Prior to joining the Company Mr. Mobley was a strategic planning analyst with a division of Lithonia Lighting Company. Mr. Mobley has a B.S. in Business Administration from Georgetown University and an MBA from Indiana University. He is the son of Paul W. Mobley.

Douglas H. Coape-Arnold was appointed a Director of the Company in May 1999. Mr. Coape-Arnold has been Managing General Partner of Geovest Capital Partners, L.P. since January 1997, and was Managing Director of TradeCo Global Securities, Inc. from May 1994 to December 2002. Mr. Coape-Arnold is a Chartered Financial Analyst.

Troy Branson, has been Executive Vice President of Franchising for the Company since November 1997 and from 1992 to 1997, he was Director of Business Development. Prior to joining the Company, Mr. Branson was an owner of Branson-Yoder Marketing Group from 1987 to 1992, after graduating from Indiana University where he received a B.S. in Business.

Mitchell Grunat, has been Vice President of Franchise Services for the Company since August 2002. Prior to joining the Company, Mr. Grunat was Chief Operating Officer of Lanter Eye Care from 2001 to 2002. Mr. Grunat has B.A. degree in English and Philosophy from Muskingum College.

Michael B. Novak has been Vice President of Product Development, Purchasing and Distribution since March 2006. Prior to joining the Company, Mr. Novak was employed by Delco Foods, a regional food distributor from 2001 to 2006. Prior to Mr. Novak being employed by Delco Foods, he was employed by the Company from 1984 to 2001 as a restaurant General Manager, Area Director of Operations and Director of Product Development and Distribution.

James D. Bales has been Vice President of Operations since March 2008. Prior to becoming Vice President of Operations, Mr. Bales held various positions with the Company beginning in March 2004. Prior to joining the Company, Mr. Bales had 15 years management experience in operations and marketing where he held various positions with TCBY starting in 1989 as a General Manager of 17 TCBY stores owned by a franchisee of TCBY. Mr. Bales joined the parent company of TCBY in 1996 and held various positions before leaving that Company at the end of 2003. The last position was with Mrs. Fields Famous Brands, the parent company of TCBY, as Vice President of Operations, Eastern U.S. Region, Western U.S. Region and National Accounts. Mr. Bales attended Northern Kentucky University for Graphic Design and Inver Hills Community College for Business Management.

Section l6(a) Beneficial Ownership Reporting Compliance

Based solely on a review of the copies of reports of ownership and changes in

ownership of the Company's common stock, furnished to the Company, the Company believes that during 2007 and 2008 all filing requirements under Section 16(a) of the Securities Exchange Act of 1934 were complied with.

Corporate Governance

Because no separate Audit Committee has been established, the Board of Directors, as a whole, acts as the Audit Committee. Mr. Coape-Arnold is qualified as an "Audit Committee Financial Expert."

The Company has adopted a code of ethics for its senior executive and financial officers. The code of ethics can be obtained without charge by contacting the Company's executive office at the address set forth on the cover page of this report.

There have been no material changes to the procedures by which security holders may recommend nominees to the Company's board of directors during the fiscal year ended December 31, 2008.

ITEM 11. EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Objectives of the Company's Compensation Program:

The Company's compensation policies, goals and objectives are designed to provide competitive levels of compensation to the executive officers and to reward certain officers, who can more directly affect the net income of the Company, with incentives to increase net income. It is also believed that total executive compensation generally should be higher for individuals with greater responsibility and greater ability to influence the Company's achievements.

The Company has long-term employment contracts with the Chairman/CEO and with the President of the Company, which guide the compensation level for those individuals. These contracts were established a number of years ago in connection with negotiations for financing transactions and with certain significant shareholders at the time. They were established in such a way that the compensation level increases over time.

The Company's President receives an incentive compensation to reward him for the increase in net income over the previous year. The Company's Executive Vice President-Franchising receives incentive compensation that rewards him based on the net income from franchising activities of the Company.

The Company uses employee stock options to align certain employees with the interest of its shareholders. In addition, the employee stock options add additional incentive for longevity.

Oversight of Compensation Program:

The compensation program is supervised by the Board of Directors. The compensation of the Chairman/CEO and the President of the Company has been set by long-term contracts with those individuals. The compensation of other executive officers of the Company is determined by the Chairman/CEO and President and approved by the Company's Board of Directors. Other than the Chairman/CEO and President, no other executive officer participates in the compensation process.

Elements of Compensation and How Those Elements Are Designed:

Base Salary - The base salary is the essential element of the Company's executive compensation. It is established to match the individual's responsibilities and their ability to influence the Company's achievements and to be competitive. The Company establishes an executive's initial base salary based upon a general knowledge of the base salaries paid to officers in similar positions at companies that we believe compete with us for executive talent. There is no set group of companies that has consistently been considered by us in setting initial base salaries nor are there any formal guidelines as to the relationship that the initial base salary of a newly hired executive should have to the base salaries of similar executives in any other company or group of companies.

Incentive Compensation - The Company does not have a formal non-equity incentive compensation program. However, the Company enters into individual incentive compensation arrangements with key employees from time to time. These arrangements are intended to incentivize these employees and can be based on a variety of different performance factors. We currently have these types of arrangements with our President and with our Executive Vice President-Franchising. These arrangements are designed to give the President and Executive Vice President-Franchising additional incentive to increase the net income of the Company and to reward them for that increase.

Employee Stock Options - The Company maintains an employee stock option plan for our employees and officers that is designed to motivate the executive officers to increase shareholder value and to allow executive officers to benefit from increased shareholder value. Any employees or officers of the company are eligible to be awarded options under the plan. The employee stock option plan provides that any options issued pursuant to the plan will have an exercise price equal to the fair market value of the stock on the date of grant and a three-year vesting period and will expire ten years after the date of grant. The vesting period for exercising is intended to provide additional incentive for longevity with the Company. Awards under the plan are periodically made at the recommendation of the Chairman/CEO and President and approved by the Board of Directors. The employee stock option plan does not have a limit on the number of shares that may be issued under the plan.

How the Company Determines the Amount of Each Element of Compensation:

The base salary of the Chairman/CEO and President of the Company is determined by long-term contracts which provide for a 6% annual increase. The base salary of other executive officers is determined by the Chairman/CEO and President based on recent performance of each of the other executive officers. For fiscal 2008 our Chairman/CEO received a pay increase of $14,000, to $439,000 from his base salary of $425,000 for fiscal 2007. The Chairman/CEO elected not to take the full amount of base salary increase that was provided for in his employment contract in either of the last three years and he has voluntarily reduced his salary for 2009 to $400,000, which is $92,000 below the contract amount. Our President received a pay increase in 2008 of $17,290, to $306,132 from his base salary of $288,842 for fiscal 2007. The President/COO voluntarily chose not to take the increase in 2009 as the contract calls for. Mr. Branson's base salary was $100,000 in both 2007 and 2008. Mr. Grunat's base salary was $156,000 in 2007 and $159,846 in 2008. Mr. Bales' base salary was $85,208 in 2007 and $108,096 in 2008.

Employee stock options are granted to executive officers based on recent

performance of those executive officers and the Company's desire to motivate those executive officers to increase shareholder value, as recommended by the Chairman/CEO and President, and approved by the Board of Directors. The amount

of gain realized from prior compensation awards is not considered in setting current compensation awards. In fiscal 2008, employee stock options were granted to eight employees in the total amount of 465,000 shares and none were granted in 2007.

The Company currently has a non-equity incentive arrangement with our President under which he may earn additional compensation if the Company's net income increases for a given fiscal year as compared to the immediately prior fiscal year. For the purposes of this calculation we exclude any one-time gains or gains or losses from discontinued operations. For fiscal 2008 our net income decreased from fiscal 2007, therefore, the President did not earn any additional compensation during fiscal 2008.

The Company also currently has a non-equity incentive arrangement with our Executive Vice President of Franchising under which he may earn additional compensation. His compensation is based on 2.5% of all royalty and fee revenue associated with franchising less the direct expenses of those activities excluding any administrative cost. The net revenue for this activity under this calculation in 2008 was $3,493,276, therefore, our Executive Vice President of Franchising earned $87,332 of additional compensation for fiscal 2008.

How Each Element of the Company's Decisions Regarding Compensation Fit Into the Company's Overall Compensation Objectives:

The Company is relatively small and, accordingly, has determined that it has not yet been necessary to establish a formal policy for allocating compensation between long-term and current, or to establish a policy for allocating total compensation between cash and non-cash. The only long-term compensation plan that the Company has is the employee stock option plan.

Company Policies and Decisions Regarding the Adjustment or Recovery of the Awards or Payments If the Relevant Company Performance Measures Upon Which They are Based are Re-Stated or Otherwise Adjusted in a Manner that Would Reduce the Size of an Award or Payment:

The Company has no policy providing for any recovery of awards or payments based on performance.

Summary Compensation Table for 2008

The following table sets forth the cash and non-cash compensation awarded to or earned by the Chief Executive Officer and Chief Financial Officer and the three other highest paid executive officers of the Company, the only executive officers whose total compensation exceeded $100,000 for 2008.

Name and Principal Position	Year	Salary	Non-Equity Incentive Compensation	Opti Awar
Paul Mobley	2008	$439,000	$ --	$ -

Chairman of the Board	2007	$425,000	$ --	$ -
	2006	$404,000	$ --	$ -
A. Scott Mobley	2008	$306,132	$ --	$ 18,
President and Secretary	2007	$288,842	$ 95,875	$ 11,
	2006	$269,330	$ 33,323	$ 11,

Name and Principal Position	Year	Salary	Non-Equity Incentive Compensation	Opti Awar
Troy Branson	2008	$100,000	$ 87,332	$ 6,
Executive Vice President of Franchising	2007	$100,000	$132,965	$ 4,
	2006	$100,000	$107,606	$ 4,
Mitchell Grunat	2008	$159,846	$ --	$ 5,
Vice President of Franchise Services	2007	$156,000	$ --	$ 4,
	2006	$156,000	$ --	$ 4,
Jim Bales	2008	$108,096	$ --	$ 2,
Vice President of Operations	2007	$ 85,208	$ --	$ -

(1) These amounts represent the dollar amounts recognized for financial statement reporting purposes in 2006, 2007 and 2008 with respect to the option awards included in the Company's consolidated financial statements for 2006, 2007 and 2008 per SFAS 123(R).

The Summary Compensation Table includes the grant date fair value for fiscal 2006, 2007 and 2008 for stock options granted to the named executive officers under the Company's employee stock option plan. The Company determines the grant date fair value of stock options based on the principles described in Statement of Financial Accounting Standards No. 123 (revised 2004) "Share-Based Payment" ("SFAS 123(R)"). See Note 7 to the Company's Consolidated Financial Statements for a discussion of the Company's determination of the grant date fair value of stock options.

The Company expects all stock options outstanding at December 31, 2008, to vest.

Grants of Plan-Based Awards for 2008

		Estimated Future Payouts under Non-Equity Incentive Plan Awards			All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/Sh)	G F o A
Name	Grant Date	Threshold	Target	Maximum			
Paul W. Mobley	--	--	--	--	--	--	
A. Scott Mobley	3/24/08	--	--	--	175,000	$ .36	

Troy Branson	3/24/08	--	$87,332 (1)	--	50,000	$ .36
Mitch Grunat	3/24/08	--	--	--	30,000	$ .36
Doug Coape-Arnold	3/24/08	--	--	--	90,000	$ .36
Jim Bales	3/24/08	--	--	--	40,000	$ .36

(1) Represents non-equity incentive compensation paid to Mr. Branson based on royalty and fee income generated from franchise activities less expenses directly relating to the franchise activity not including administrative expense.

(2) The Company had no threshold or maximum amounts for the non-equity incentive compensation for Mr. Branson.

The number of options granted to the President was determined by the Chairman/CEO and approved by the Board of Directors. The number of options granted to the other executive officers was determined by the Chairman/CEO and President and approved by the Board of Directors. In considering whether or not to issue options, many factors were taken into account such as individual performance of the grantee, recent performance of the Company, the progress of the Company relative to the Company's plans and the overall performance of the Company's stock.

In determining the number of option grants, such factors as number of new franchises awarded, overall profitability of the Company and achievement of the Company's plans were all considered. There were no definitive benchmarks for the award of options.

Employment Agreements

Mr. Paul Mobley has an employment agreement with the Company which fixes his base compensation at $492,484 per year for 2009 although Mr. Mobley has voluntarily reduced his base compensation to $400,000 for 2009, provides for reimbursement of travel and other expenses incurred in connection with his employment, including the furnishing of an automobile, health and accident insurance similar to that provided other employees, and life insurance in an amount related to his base salary. The initial term of the agreement is seven years and automatically renews each year for a seven-year period unless the Board takes specific action to not renew. The agreement is terminable by the Company for just cause as defined in the agreement.

Mr. A. Scott Mobley has an employment agreement with the Company which fixes his base compensation at $325,208 per year for 2009 although Mr. Mobley has voluntarily reduced his base compensation to $306,800 for 2009, provides for reimbursement of travel and other expenses incurred in connection with his employment, including the furnishing of an automobile, health and accident insurance similar to that provided other employees, and life insurance in an amount related to his base salary. The initial term of the agreement is five years and automatically renews each year for a five-year period unless the Board takes specific action to not renew. The agreement is terminable by the Company for just cause as defined in the agreement.

Outstanding Equity Awards at Fiscal Year-End

The following table sets forth information concerning the number of outstanding equity awards of the executive officers named in the Summary Compensation Table as of December 31, 2008.

	Option Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Opti
Paul W. Mobley	20,000		$ .55	
A. Scott Mobley	20,000		$ 1.45	
	20,000		$ .55	
	20,000		$ .83	
		25,000	$ 2.30	
		175,000	$ .36	
Troy Branson		10,000	$ 2.30	
		50,000	$ .36	
Mitchell Grunat	10,000		$ .83	
		10,000	$ 2.30	
		30,000	$ .36	
Jim Bales		40,000	$ .36	

All options listed above vested or will vest three years after the date of the grant, and expire ten years after the grant date.

Option Exercises and Stock Vested

Name	Option Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)
Troy Branson	15,000	9,300

Director Compensation

Name	Fees Earned or Paid in Cash ($)	Option Awards ($)	All Other Compensation ($)	Total ($)
Douglas H. Coape-Arnold	--	$9,675	$79,200	$88,875

The Company has engaged Mr. Coape-Arnold as a consultant and does not separately compensate him for his service as a director. Mr. Coape-Arnold was paid $79,200 in consulting fees in 2006, $79,200 in consulting fees in 2007, and $79,200 in consulting fees in 2008.

The Company does not pay any separate compensation for Directors that are also employees of the Company.

Compensation Committee Interlocks and Insider Participation
Because no separate Compensation Committee has been established, the Board of Directors, as a whole, acts as the Compensation Committee. Paul W. Mobley, A. Scott Mobley and Douglas H. Coape-Arnold participate in executive compensation decisions.

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Compensation Committee Report

The Board of Directors has reviewed and discussed the Compensation Discussion and Analysis with management. Based on the review and discussions, the Board of Directors approved the inclusion of the Compensation Discussion and Analysis in the Company's annual report on Form 10-K for the fiscal year ended December 31, 2008.

The Board of Directors of Noble Roman's, Inc.

Paul W. Mobley
A. Scott Mobley
Douglas H. Coape-Arnold

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND

MANAGEMENT AND RELATED STOCKHOLDER MATTERS

As of March 1, 2009 there were 19,412,499 shares of the Company's common stock outstanding and 25,000,000 shares are authorized. The following table sets forth the amount and percent of the Company's common stock beneficially owned on March 1, 2009 by (i) each director and named executive officer individually, (ii) each beneficial owner of more than five percent of the Company's outstanding common stock known to the Company and (iii) all executive officers and directors as a group:

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership (1)	Percent o Voting Co
Paul W. Mobley One Virginia Avenue, Suite 800 Indianapolis, IN 46204	3,156,035 (3)	
A. Scott Mobley One Virginia Avenue, Suite 800 Indianapolis, IN 46204	1,116,103 (4)	
Geovest Capital Partners, L.P. 750 Lexington Avenue, 25th Floor New York, N.Y. 10022	685,000 (5)	
James W. Lewis 335 Madison Ave., Suite 1702 New York, N.Y. 10017	1,909,580 (6)	
Douglas H. Coape-Arnold 750 Lexington Avenue, 25th Floor New York, N.Y. 10022	250,000 (7)	

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership (1)	Percent o Voting Co
Troy Branson One Virginia Avenue, #800 Indianapolis, IN 46204	80,100	
Mitchell Grunat One Virginia Avenue, #800 Indianapolis, IN 46204	10,000 (8)	
Zyville E. Lewis 456 N. Maple Street Greenwich, CT 06830	1,145,396	
Special Situations Fund III QP, L.P. 527 Madison Avenue, Suite 2600 New York, NY 10023	1,341,850 (9)	

Robert P. Stiller 33 Coffee Lane Waterbury, VT 05676	3,830,000 (10)
Timothy Riley 34 Hedge Brook Lane Stamford, CT 06903	1,060,900 (11)
All Executive Officers and Directors as a Group (5 Persons)	4,612,238

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(1) All shares owned directly with sole investment and voting power, unless otherwise noted.

(2) The percentage calculations are based upon 19,197,499 shares of the Company's common stock, eligible to vote, issued and outstanding as of March 1, 2009 and, for each officer or director of the group, the number of shares subject to options, warrants or conversion rights exercisable currently or within 60 days of March 1, 2009.

(3) The total includes a warrant to purchase 600,000 shares of common stock at an exercise price of $.93 per share which expires June 30, 2011, a warrant to purchase 300,000 shares of common stock at an exercise price of $.93 which expires January 24, 2011 and 20,000 shares of common stock subject to options granted under an employee stock option plan which are currently exercisable at $.55 per share.

(4) The total includes 60,000 shares of common stock subject to options granted under an employee stock option plan which are currently exercisable at $1.45 per share for 20,000 shares, $.55 per share for 20,000 shares and $.83 per share for 20,000 shares. Also includes a warrant to purchase 300,000 shares of common stock at an exercise price of $.93 per share which expires June 30, 2011, and a warrant to purchase 200,000 shares of common stock at an exercise price of $.93 per share which expires January 24, 2011.

(5) Based on a Form 4 filed June 20, 2007, by Geovest Capital Partners, LP. Douglas H. Coape-Arnold is Managing Partner of Geovest Capital Partners, LP, however, Mr. Coape-Arnold disclaims beneficial ownership of such shares beyond his interest in Geovest Capital Partners.

(6) This total includes 138,580 shares of common stock owned by James Lewis Family Investments LP, 220,000 shares of common stock owned by James W. Lewis MPPP and 200,000 shares owned by Geometry Asset Management, Inc.

(7) This total includes a warrant to purchase 100,000 shares of common stock at an exercise price of $.93 per share which expires June 30, 2011 and a warrant to purchase 100,000 shares of common stock at an exercise price of $.93 per share which expires January 24, 2011.

(8) This total includes 10,000 shares of common stock subject to options granted under an employee stock option plan which are currently exercisable at $.83 per share for 10,000 shares.

(9) Based on a Schedule 13G filed February 13, 2008, by Austin W. Marxe and David M. Greenhouse as Investment Managers of Special Situations Fund III

QP, L.P.

(10) Based on a Schedule 13G filed February 17, 2009, by Robert P. Stiller.

(11) Based on a Schedule 13G filed August 8, 2008, by Timothy Riley.

Equity Compensation Plan Benefit Information

The following table provides information as of December 31, 2008 with respect to the shares of our common stock that may be issued under our existing equity compensation plans.

Plan Category	Number of Securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of s remaining av future issu equity com plans (e securities colum (c
Equity compensation plans approved by stockholders	--	$ --	-
Equity compensation plans not approved by stockholders	650,250	$ .64	(
Total	650,250	$ .64	-

(1) The Company may grant additional options under the employee stock option plan. There is no maximum number of shares available for issuance under the employee stock option plan.

The Company maintains an employee stock option plan for our employees and officers. Any employees or officers of the Company are eligible to be awarded options under the plan. The employee stock option plan provides that any options issued pursuant to the plan will have a three-year vesting period and will expire ten years after the date of grant. Awards under the plan are periodically made at the recommendation of the Chairman/CEO and President and approved by the Board of Directors. The employee stock option plan does not have a limit on the number of shares that may be issued under the plan.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The Company has reviewed all transactions to which the Company and certain officers and directors of the Company are a party or have a financial interest. The Board of Directors of the Company has adopted a policy that all transactions between the Company and its officers, directors, principal shareholders and other affiliates must be approved by a majority of the Company's disinterested directors, and be conducted on terms no less favorable to the Company than could be obtained from unaffiliated third parties. The Board of Directors has

determined that there were no transactions since January 1, 2007 that are required to be disclosed under this item. In making this determination the Board of Directors examined consulting fees and interest on Participating Income Notes paid to directors and determined that these items were not required to be disclosed due to the amount of the payments.

The Company's Board of Directors is currently comprised of Paul W. Mobley, our Chairman and Chief Executive Officer, A. Scott Mobley, our President, and Douglas H. Coape-Arnold. For the purpose of determining director independence for this Annual Report on Form 10-K, the Company has adopted the New York Stock Exchange definition of independence. The Board of Directors has determined that Mr. Coape-Arnold is an independent director under that definition.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The following table presents fees for professional audit services rendered by Somerset CPAs for the audit of our annual financial statements and review of our quarterly financial statements, and fees billed for other services rendered by Somerset CPAs during the year 2007 and 2008.

	Fiscal Year Ended December 31, 2008	Fiscal Year Ended December 31, 2007
Audit Fees and Review Fees (1)	$78,000	$71,000

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(1) Audit Fees consist of fees rendered for professional services rendered by Somerset CPAs for the audit of our financial statements included in our Forms 10-K for the years ended December 31, 2007 and 2008 and the review of the unaudited financial statements included in our quarterly reports during 2007 and 2008.

The engagement of Somerset CPAs, P.C., Certified Public Accountants, for conducting the audit of the Company's financial statements for the years ended December 31, 2008, 2007 and 2006, and for the review of its financial statements included in its Form 10-Q's during the year 2007 and 2008, was pre-approved by the Company's Board of Directors. Somerset CPAs, P.C. has not been engaged by the Company to perform any services other than audits of the Company's financial statements and reviews of its Form 10-Qs. The Board of Directors does not have a pre-approval policy with respect to work performed by the Company's independent auditor.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

The following consolidated financial statements of Noble Roman's, Inc. and subsidiaries are included in Item 8:

	Page
Consolidated Balance Sheets - December 31, 2007 and 2008	21
Consolidated Statements of Operations - years ended December 31, 2006, 2007 and 2008	22
Consolidated Statements of Changes in Stockholders' Equity - years ended December 31, 2006, 2007 and 2008	23

Consolidated Statements of Cash Flows - years ended December 31, 2006, 2007 and 2008 24

Notes to Consolidated Financial Statements 25

Report of Independent Registered Accounting Firm. - Somerset CPAs, P.C. 36

Exhibits

Exhibit Number	Description
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 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.

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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.

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.

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

SIGNATURES

In accordance with of Section 13 or 15(d) 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: March 19, 2009

By: /s/ Paul W. Mobley
Paul W. Mobley, Chief Executive Officer and Chief Financial Officer

In accordance with the Securities Exchange Act of 1934, this report has

been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date:	March 19, 2009	/s/ Paul W. Mobley Paul W. Mobley Chairman of the Board and Director
Date:	March 19, 2009	/s/ A. Scott Mobley A. Scott Mobley President and Director
Date:	March 19, 2009	/s/ Douglas H. Coape-Arnold Douglas H. Coape-Arnold Director