

WESTERN SIZZLIN CORP
Form 424B3
May 13, 2008
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Registration No. 333-148349

WESTERN SIZZLIN CORPORATION

Offer to Exchange
Up to 2,700,000 Shares of Common Stock
of
ITEX CORPORATION
for
Shares of Western Sizzlin Corporation Common Stock
by
WESTERN SIZZLIN CORPORATION

at an Exchange Ratio of One Share of ITEX Corporation Common Stock for
.06623 Shares of Western Sizzlin Corporation Common Stock

THE OFFER AND THE WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON TUESDAY, MAY 13, 2008, REFERRED TO AS THE "EXPIRATION DATE," UNLESS EXTENDED. SHARES TENDERED PURSUANT TO THE OFFER MAY BE WITHDRAWN AT ANY TIME PRIOR TO THE EXPIRATION DATE.

Western Sizzlin Corporation is offering to exchange up to 2,700,000 shares of common stock of ITEX Corporation at an exchange ratio of one share of ITEX common stock for .06623 shares of Western common stock, par value \$0.01 per share, upon the terms and subject to the conditions in this prospectus and accompanying revised letter of transmittal. This offer is referred to in this prospectus as the "exchange offer," the "offer," the "amended exchange offer" or the "amended offer." In addition, you will receive cash instead of any fractional shares of Western common stock to which you may be entitled.

This prospectus amends and supersedes information included in the prospectus originally filed with the Securities and Exchange Commission on December 27, 2007, which we refer to as the "original prospectus," as amended by the prospectuses filed with the Securities and Exchange Commission on February 1, 2008, March 13, 2008 and May 7, 2008. Western's exchange offer contained in the original prospectus is referred to as the "original offer."

Western is seeking to acquire up to 2,700,000 shares of ITEX common stock in the offer for investment purposes. Following the consummation of the offer, Western intends to evaluate its investment in the ITEX common stock on a continual basis and may, from time to time, communicate with ITEX management, members of ITEX's board of directors and other stockholders of ITEX.

Western's common stock commenced trading on the Nasdaq Capital Market under the symbol "WEST" on February 25, 2008, and was previously quoted on the OTC Bulletin Board under the symbol "WSZL.OB." ITEX's common stock is quoted on the OTC Bulletin Board under the symbol "ITEX.OB." On December 12, 2007, the last full trading day before Western announced its intention to commence its original offer, the closing price of a share of Western common stock was \$15.40 and the closing price of a share of ITEX common stock was \$0.90. Based on these closing prices and the exchange ratio in the offer of one share of ITEX common stock for .06623 shares of Western common stock, the Western offer had a value of \$1.02 per share of ITEX common stock. This represents a 13% premium over

ITEX's closing share price on December 12, 2007, a 20% premium over ITEX's six-month average closing share price through December 12, 2007 and a 28% premium over ITEX's one-year average closing share price through December 12, 2007. On December 26, 2007, the last full trading day before the date of the original prospectus, based on the closing price of a share of Western common stock of \$18.00 and the closing price of a share of ITEX common stock of \$0.96, the Western offer had a value of \$1.19 per ITEX share, representing a 24% premium over ITEX's closing share price on December 26, 2007, a 38% premium over ITEX's six-month average closing share price through that date and a 48% premium over ITEX's one-year average closing share price through that date.

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FOR A DISCUSSION OF CERTAIN FACTORS THAT YOU SHOULD CONSIDER IN CONNECTION WITH THE OFFER, PLEASE CAREFULLY READ THE SECTION CAPTIONED “RISK FACTORS” BEGINNING ON PAGE 14.

Western’s obligation to exchange shares of Western common stock for shares of ITEX common stock is subject to specified conditions, which are more fully described in the section captioned “The Offer—Conditions of the Offer.” The offer is no longer conditioned on any minimum number of shares being tendered. Western has also eliminated a number of other significant conditions to the offer.

Western has not authorized any person to provide any information or to make any representation in connection with the offer other than the information contained in this prospectus, and if any person provides any of this information or makes any representation of this kind, that information or representation must not be relied upon as having been authorized by Western.

WESTERN IS NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND WESTERN A PROXY.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is May 13, 2008

THIS OFFER DOES NOT CONSTITUTE A SOLICITATION OF PROXIES FOR ANY MEETING OF STOCKHOLDERS OF ITEX. ANY SOLICITATION OF PROXIES WHICH WESTERN MIGHT MAKE WILL BE MADE ONLY PURSUANT TO SEPARATE PROXY OR CONSENT SOLICITATION MATERIALS COMPLYING WITH THE REQUIREMENTS OF SECTION 14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, OR THE “EXCHANGE ACT.” EACH STOCKHOLDER IS URGED TO READ THE PROXY STATEMENT REGARDING THE BUSINESS TO BE CONDUCTED AT THE APPLICABLE MEETING, IF AND WHEN IT BECOMES AVAILABLE, BECAUSE IT WILL CONTAIN IMPORTANT INFORMATION. ANY SUCH PROXY STATEMENT WILL BE FILED WITH THE SECURITIES AND EXCHANGE COMMISSION, OR “SEC.” ITEX STOCKHOLDERS WILL BE ABLE TO OBTAIN A COPY OF ANY PROXY STATEMENT, AS WELL AS OTHER FILINGS CONTAINING INFORMATION ABOUT THE PARTIES (INCLUDING INFORMATION REGARDING THE PARTICIPANTS (WHICH MAY INCLUDE WESTERN’S OFFICERS AND DIRECTORS) IN THE PROXY SOLICITATION AND A DESCRIPTION OF THEIR DIRECT AND INDIRECT INTERESTS, BY SECURITY HOLDINGS OR OTHERWISE), FREE AT THE SEC’S WEB SITE AT [HTTP://WWW.SEC.GOV](http://www.sec.gov). EACH SUCH PROXY STATEMENT (IF AND WHEN IT IS AVAILABLE) AND THESE OTHER DOCUMENTS MAY ALSO BE OBTAINED FOR FREE FROM WESTERN AT [HTTP://WWW.WESTERN-SIZZLIN.COM](http://www.western-sizzlin.com).

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QUESTIONS AND ANSWERS ABOUT THE TRANSACTION

The following are some of the questions that you as a holder of shares of ITEX Corporation, or "ITEX," common stock may have regarding the offer and answers to those questions. The answers to these questions do not contain all information relevant to your decision whether to tender your shares of ITEX common stock, and Western Sizzlin Corporation, or "Western," urges you to read carefully the remainder of this prospectus and revised letter of transmittal.

What is Western's Proposed Transaction?

Pursuant to the filing of the registration statement on Form S-4, of which this prospectus is a part, with the SEC, Western is offering to acquire up to 2,700,000 outstanding shares of ITEX common stock, in exchange for shares of Western common stock. According to ITEX's Quarterly Report on Form 10-Q for the quarterly period ended January 31, 2008, as of that date, there were 17,816,248 shares of ITEX common stock outstanding. As of the date of this prospectus, Western owned 700,714 shares of ITEX common stock, representing approximately 3.9% of the outstanding shares. If Western acquires the maximum 2,700,000 shares in the offer, it would own 3,400,714 shares of ITEX common stock, representing approximately 19.0% of the outstanding shares.

How Has Western Amended its Offer?

Western believes that its ability to successfully consummate its original offer for all of the outstanding shares of ITEX common stock was impeded by the ITEX board's and management's unwillingness to negotiate in good faith with Western. Accordingly, Western has amended its exchange offer to seek up to a maximum of 2,700,000 shares of ITEX common stock, at the same exchange ratio of one share of ITEX common stock for .06623 shares of Western common stock. Western is seeking to acquire these shares in the offer for investment purposes. As a result of its amended offer, Western has eliminated a number of significant conditions to the offer, as further described below.

If I Have Already Tendered My Shares of ITEX Common Stock, Do I Need to Do Anything to Tender into the Amended Offer?

If you have already tendered your shares of ITEX common stock, you do not need to do anything to tender into the amended offer. Shares of ITEX common stock validly tendered and not properly withdrawn prior to the date of this prospectus will automatically be considered to have been tendered pursuant to the terms of the amended offer set forth in this prospectus.

How Many Shares Will Western Purchase in the Offer?

Western will purchase up to 2,700,000 shares of ITEX common stock in the offer, or such lesser number of shares as are validly tendered and not properly withdrawn. If more than 2,700,000 shares are tendered, all shares tendered will be purchased on a pro rata basis. The offer is no longer conditioned on any minimum number of shares being tendered.

What Will I Receive in Exchange for My Shares of ITEX Common Stock?

In exchange for each share of ITEX common stock that is purchased pursuant to the offer, you will receive .06623 shares of Western common stock. In addition, you will receive cash instead of any fractional shares of Western common stock to which you may be entitled. The number of shares of Western common stock into which one share of ITEX common stock will be exchanged in the offer is sometimes referred to in this prospectus as the "exchange ratio." Western's common stock is listed on the Nasdaq Capital Market.

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What is the Per Share Value of the Offer and the Premium Over ITEX's Share Price?

On December 12, 2007, the last full trading day before Western announced its intention to commence its original offer, the closing price of a share of Western common stock was \$15.40 and the closing price of a share of ITEX common stock was \$0.90. Based on these closing prices and the exchange ratio in the offer of one share of ITEX common stock for .06623 shares of Western common stock, the Western offer had a value of \$1.02 per share of ITEX common stock. This represents a 13% premium over ITEX's closing share price on December 12, 2007, a 20% premium over ITEX's six-month average closing share price through December 12, 2007 and a 28% premium over ITEX's one-year average closing share price through December 12, 2007. On December 26, 2007, the last full trading day before the date of the original prospectus, based on the closing price of a share of Western common stock of \$18.00 and the closing price of a share of ITEX common stock of \$0.96, the Western offer had a value of \$1.19 per ITEX share, representing a 24% premium over ITEX's closing share price on December 26, 2007, a 38% premium over ITEX's six-month average closing share price through that date and a 48% premium over ITEX's one-year average closing share price through that date.

The value of the offer will change as the market prices of Western common stock and ITEX common stock fluctuate during the offer period and thereafter, and may therefore be different from the prices set forth above at the expiration of the offer period and at the time you receive your shares of Western common stock. Stockholders are encouraged to obtain current market quotations for shares of Western and ITEX common stock prior to making any decision with respect to the offer. See "Risk Factors" and "Comparative Market Price Data."

What does the Board of Directors of ITEX Think of the Offer?

On January 11, 2008, ITEX filed a solicitation/recommendation statement with the SEC on Schedule 14D-9 announcing that its board of directors determined that the original offer was inadequate and not in the best interests of ITEX or its stockholders and recommended that ITEX's stockholders reject the original offer and not tender their ITEX shares in the original offer. On March 25, 2008, ITEX announced that its board of directors' recommendation that ITEX stockholders reject the offer had not changed.

Have You Discussed the Offer with the Board of Directors of ITEX?

We were only given the opportunity to discuss the original offer generally with members of the board of directors of ITEX. We informed ITEX that we would like to meet with its full board of directors as promptly as possible to negotiate the original offer with them, but were never granted such a meeting. We have not discussed the amended offer with ITEX management or its board of directors in view of their previous unwillingness to negotiate with us in good faith.

What are the Conditions of the Offer? What Conditions Have Been Eliminated?

Western's obligation to exchange shares of Western common stock for shares of ITEX common stock pursuant to the offer is subject to several conditions referred to below under "The Offer—Conditions of the Offer," including the following:

- the "registration statement condition"—the registration statement of which this prospectus is a part shall have become effective under the Securities Act of 1933, as amended, referred to in this prospectus as the "Securities Act," no stop order suspending the effectiveness of the registration statement shall have been issued and no proceedings for that purpose shall have been initiated or threatened by the SEC and Western shall have received all necessary state securities law or "blue sky" authorizations; and

- the “listing condition”—Western’s common stock shall have been approved for listing on the Nasdaq Capital Market or other national securities exchange reasonably acceptable to Western, and the shares of Western common stock to be issued pursuant to the offer shall have been authorized for listing on such national securities exchange, subject to official notice of issuance. Western’s common stock was approved for listing on the Nasdaq Capital Market and commenced trading on Nasdaq on February 25, 2008.

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The satisfaction or existence of any of the conditions to the offer, including those set forth above, will be determined by Western in its reasonable discretion. Any and all conditions to the offer, including those set forth above, may be waived (to the extent legally permissible) by Western in its reasonable discretion.

As a result of the amended offer, Western has eliminated the following conditions to the offer, and the offer is no longer subject to the satisfaction of these conditions :

- the “minimum tender condition”—there shall have been validly tendered and not properly withdrawn prior to the expiration of the offer that number of shares of ITEX common stock representing, together with the shares owned by Western and its affiliates, at least 60% of the total voting power of all of the outstanding securities of ITEX entitled to vote generally in the election of directors or in a merger, calculated on a fully diluted basis immediately prior to the expiration of the offer;
- the “control share condition”—Western must be satisfied, in its reasonable discretion, that the provisions of Section 78.378, et seq. of the Nevada Revised Statutes, referred to in this prospectus as the “Nevada Control Share Statute,” do not and will not apply to the shares of ITEX common stock to be acquired pursuant to the offer or are invalid or the stockholders of ITEX must have approved full voting rights for all of the shares of ITEX common stock to be acquired by Western pursuant to the offer under the Nevada Control Share Statute;
- the “business combination condition”—Western must be satisfied, in its reasonable discretion, that, after consummation of the offer, Section 78.411, et seq. of the Nevada Revised Statutes will not prohibit or restrict for any period of time the merger or any other business combination involving ITEX and Western or an affiliate or associate of Western;
 - the “antitrust condition”—any waiting periods under applicable antitrust laws shall have expired or terminated;
- the “ITEX debt condition”—Western shall have received all consents, waivers and approvals required under the terms of ITEX’s indebtedness in order for Western to consummate the offer; and
- της στοχκηολδερ αππροσβαλ χονδιτιον Ωεστερν σ στοχκηολδερσ σηαλλ ηαωε αππροωεδ, ασ ανδ το τηε εξεντ ρεθυιρεδ βψ τηε ρυλεσ οφ ανψ νατιοναλ σεχυριτιεσ εξηανγε ον ωηιχη τηε Ωεστερν χομμον στοχκ ισ λιστεδ, τηε ισσυανχε οφ σηαρεσ οφ Ωεστερν χομμον στοχκ πυρσυαντ το τηε οφφερ.

Will I Be Taxed on the Western Common Stock I Receive?

The receipt of Western common stock by a U.S. holder in exchange for its shares of ITEX common stock pursuant to the offer is expected to be a taxable transaction for U.S. federal income tax purposes. For a discussion of material U.S. federal tax consequences of the offer, see the section captioned “The Offer—Taxation.”

BECAUSE TAX MATTERS ARE COMPLICATED, WESTERN URGES YOU TO CONTACT YOUR OWN TAX ADVISOR TO DETERMINE THE PARTICULAR TAX CONSEQUENCES TO YOU OF THE OFFER.

Is Western’s Financial Condition Relevant to My Decision to Tender in the Offer?

Yes. Western’s financial condition is relevant to your decision to tender your shares because shares of ITEX common stock accepted in the offer will be exchanged for shares of Western common stock. You should therefore consider Western’s financial condition before you decide to become one of Western’s stockholders through the offer. This prospectus contains financial information regarding Western and ITEX, which we encourage you to review.

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What Percentage of Western's Shares Will Former Holders of Shares of ITEX Common Stock Own After the Offer?

Based on the exchange ratio for the offer, Western estimates that if the maximum 2,700,000 ITEX shares are exchanged pursuant to the offer, former ITEX stockholders would own, in the aggregate, approximately 6.2% of the outstanding shares of Western common stock. For a detailed discussion of the assumptions on which this estimate is based, see "The Offer—Ownership of Western After the Offer."

How Long Do I Have to Decide Whether to Tender in the Offer?

You have until 5:00 p.m., New York City time, on Tuesday, May 13, 2008 to decide whether to tender your shares in the offer unless Western extends the period of time during which the offer is open. If you cannot deliver everything required to make a valid tender to Continental Stock Transfer & Trust Company, the exchange agent for the offer, prior to such time, you may be able to use a guaranteed delivery procedure to tender your shares in the offer, which is described in "The Offer—Guaranteed Delivery." When Western makes reference to the "expiration of the offer" or the "expiration date" anywhere in this prospectus, this is the time to which Western is referring, including, when applicable, any extension period that may apply.

Can the Offer Be Extended and Under What Circumstances?

Western may, in its sole discretion, extend the offer at any time or from time to time. For instance, the offer may be extended if any of the conditions specified in "The Offer—Conditions of the Offer" are not satisfied prior to the scheduled expiration date of the offer. Because the amended offer is for less than all of the outstanding ITEX common stock, Western may not elect to provide a "subsequent offering period" for the offer.

How Will I Be Notified if the Offer is Extended?

If Western decides to extend the offer, it will inform the exchange agent of that fact and will make a public announcement of the extension, not later than 9:00 a.m., New York City time, on the business day after the day on which the offer was scheduled to expire.

How Do I Tender My Shares?

To tender shares, you must deliver the certificates representing your shares, together with a properly completed and duly executed letter of transmittal, to the exchange agent not later than the time the offer expires. If your shares are held in street name by your broker, dealer, commercial bank, trust company or other nominee, such nominee can tender your shares through The Depository Trust Company. If you cannot deliver everything required to make a valid tender to the exchange agent for the offer prior to the expiration of the offer, you may have a limited amount of additional time by having a broker, a bank or other fiduciary that is a member of the Securities Transfer Agents Medallion Program or other eligible institution guarantee that the missing items will be received by the exchange agent within three business days after the expiration of the offer by using the enclosed revised notice of guaranteed delivery. However, the exchange agent must receive the missing items within that three business day period.

Tendering stockholders may use either the revised letter of transmittal and the revised notice of guaranteed delivery circulated with this prospectus or the original letter of transmittal and the original notice of guaranteed delivery previously circulated with the original prospectus. Stockholders using the original letter of transmittal to tender their shares will nevertheless be deemed to be tendering pursuant to the terms and conditions contained in this prospectus and the enclosed revised letter of transmittal.

For a complete discussion on the procedures for tendering your shares, see “The Offer—Procedure for Tendering” and “The Offer—Guaranteed Delivery.”

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Will I Have to Pay any Fee or Commission to Exchange Shares of ITEX Common Stock?

If you are the record owner of your shares and you tender your shares in the offer, you will not have to pay any brokerage fees, commissions or similar expenses. If you own your shares through a broker, dealer, commercial bank, trust company or other nominee and your broker, dealer, commercial bank, trust company or other nominee tenders your shares on your behalf, they may charge a fee for doing so. You should consult your broker, dealer, commercial bank, trust company or other nominee to determine whether any charges will apply.

Until What Time Can I Withdraw Tendered Shares?

You can withdraw tendered shares at any time until the offer has expired and, if Western has not agreed to accept your shares for exchange by the expiration date, you can withdraw them at any time after that date until it accepts shares for exchange. For a complete discussion on the procedures for withdrawing your shares, see “The Offer—Withdrawal Rights.”

How Do I Withdraw Tendered Shares?

To withdraw shares, you must deliver a written notice of withdrawal, or a facsimile of one, with the required information to the exchange agent for the offer, while you have the right to withdraw the shares. If you tendered shares by giving instructions to a broker, dealer, commercial bank, trust company or other nominee, you must instruct the broker, dealer, commercial bank, trust company or other nominee to arrange for the withdrawal of your shares. For a complete discussion on the procedures for withdrawing your shares, see “The Offer—Withdrawal Rights.”

When and How Will I Receive the Western Shares for My Tendered Shares?

Western will exchange up to 2,700,000 validly tendered and not properly withdrawn shares promptly after the expiration date of the offer, subject to the terms of the offer and the satisfaction or waiver of the conditions to the offer, as set forth in “The Offer—Conditions of the Offer.” Western will exchange your validly tendered and not properly withdrawn shares by depositing shares of Western common stock with the exchange agent, which will act as your agent for the purpose of receiving shares from Western and transmitting such shares to you. In all cases, exchange of tendered shares will be made only after timely receipt by the exchange agent of certificates for such shares (or of a confirmation of a book-entry transfer of such shares as described in “The Offer—Procedure for Tendering”) and a properly completed and duly executed letter of transmittal and any other required documents for such shares.

If I Decide Not to Tender, How Will the Offer Affect My Shares?

The exchange of shares of ITEX common stock by Western pursuant to the offer will reduce the number of holders of ITEX common stock and could adversely affect the liquidity and market value of the shares of ITEX common stock. See “The Offer—Effect of the Offer on the Market for Shares of ITEX Common Stock; Registration Under the Exchange Act; Margin Regulations.”

Are Dissenters’ Rights Available in the Offer?

Dissenters’ rights are the rights of stockholders, in certain cases, to receive “fair value” for their shares, plus accrued interest, as determined by a statutorily-prescribed process, which may include a judicial appraisal process. Dissenters’ rights are not available in the offer. See “The Offer—Purpose of the Offer; Dissenters’ Rights.”

What is the Market Value of My Shares of ITEX Common Stock as of a Recent Date?

On December 12, 2007, the last full trading day before Western announced its intention to commence the original offer, the closing price of a share of common stock of ITEX as quoted on the OTC Bulletin Board was \$0.90. On May 5, 2008, the closing price of a share of ITEX common stock was \$0.95. Western advises you to obtain a recent quotation for the ITEX common stock before deciding whether to tender your shares.

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Why Does the Cover Page to this Prospectus State that the Offer is Subject to Change and that the Registration Statement Filed with the SEC is not yet Effective? Does this Mean that the Offer has not Commenced?

No. Completion of this preliminary prospectus and effectiveness of the registration statement are not necessary for the offer to commence. We cannot, however, accept for exchange any shares tendered in the offer or exchange any shares of ITEX common stock until the registration statement is declared effective by the SEC and the other conditions to the offer have been satisfied or, to the extent legally permissible, waived.

Where Can I Find More Information on Western and ITEX?

You can find more information about Western and ITEX from various sources described in the section captioned "Where You Can Find More Information."

Who Can I Talk to If I Have Questions About the Offer?

You can call Morrow & Co., LLC, the information agent for the offer, at the numbers below.

The information agent for the offer is:

MORROW & CO., LLC

470 West Avenue
Stamford, CT 06902

E-mail: offer.info@morrowco.com

Banks and Brokerage Firms, Please Call: 203.658.9400
Stockholders Call Toll Free: 800.607.0088

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WHERE YOU CAN FIND MORE INFORMATION

Western and ITEX file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any reports, statements or other information that Western and ITEX file at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information regarding the public reference room. Western's and ITEX's public filings also are available to the public from commercial document retrieval services and at the Internet website maintained by the SEC at <http://www.sec.gov>.

Western has filed a registration statement on Form S-4 to register with the SEC the offering and sale of shares of Western common stock to be issued in the offer. This prospectus is a part of that registration statement. As allowed by SEC rules, this prospectus does not contain all of the information that you can find in the registration statement or the exhibits to the registration statement. For further information, reference is made to the registration statement and its exhibits. Western has filed, and may in the future file, amendments to the registration statement. In addition, on December 27, 2007, Western filed with the SEC a Tender Offer Statement on Schedule TO under the Exchange Act, together with exhibits, to furnish certain information about the offer, and Western has filed, and may in the future file, amendments to the Schedule TO. You may obtain copies of the Form S-4 and Schedule TO (and any amendments to those documents) by contacting the information agent as directed on the back cover of this prospectus.

YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS PROSPECTUS IN MAKING YOUR DECISION WHETHER TO TENDER YOUR SHARES OF ITEX COMMON STOCK INTO WESTERN'S OFFER. WESTERN HAS NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION THAT DIFFERS FROM THAT CONTAINED IN THIS PROSPECTUS. THIS PROSPECTUS IS DATED MAY 13, 2008. YOU SHOULD NOT ASSUME THAT THE INFORMATION CONTAINED IN THIS PROSPECTUS IS ACCURATE AS OF ANY DATE OTHER THAN THAT DATE, AND NEITHER THE MAILING OF THIS PROSPECTUS TO STOCKHOLDERS NOR THE ISSUANCE OF SHARES OF WESTERN COMMON STOCK IN WESTERN'S OFFER SHALL CREATE ANY IMPLICATION TO THE CONTRARY.

NOTE ON ITEX INFORMATION

In respect of information relating to ITEX's business, operations and management presented in, or omitted from, this prospectus, Western has relied upon publicly available information, primarily information publicly filed by ITEX with the SEC. Information publicly filed by ITEX may be examined and copies may be obtained at the places and in the manner set forth in the section captioned "Where You Can Find More Information." Western is not affiliated with ITEX, and non-public information concerning ITEX was not available to Western for the purpose of preparing this prospectus. ITEX has not cooperated with Western in, and has not been involved in, the preparation of this prospectus and has not verified the information contained in this prospectus relating to ITEX. Publicly available information concerning ITEX may contain errors. Western has no knowledge that would indicate that any statements contained herein regarding ITEX's operations, financial condition or condition in general, based upon such publicly filed reports and documents, are inaccurate, incomplete or untrue. However, Western was not involved in the preparation of such reports and documents.

Pursuant to Rule 409 under the Securities Act and Rule 12b-21 under the Exchange Act, Western has requested that ITEX provide Western with the information required to furnish complete disclosure regarding the business, operations, financial condition and management of ITEX. Western will amend or supplement this prospectus to include any and all information Western receives from ITEX, if Western receives the information before the offer expires and Western considers it to be material, reliable and appropriate. As of the date of this prospectus, no such information has been received.

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In addition, pursuant to Rule 437 under the Securities Act, Western has requested that (i) ITEX cooperate in obtaining the consent of its independent public accountants and (ii) ITEX's independent public accountants provide Western with their consent required for Western to include in this prospectus the audit report included in ITEX's Annual Report on Form 10-KSB for the fiscal year ended July 31, 2007. ITEX has declined to furnish this consent from its independent public accountants. On February 20, 2008, under Section 7(a) of the Securities Act and Rule 437 promulgated thereunder, Western submitted to the SEC a request for a waiver of the requirement to include the consent of ITEX's independent public accountants in the registration statement of which this prospectus is a part. On February 22, 2008, subject to specified conditions with which Western has complied or will comply, the SEC granted Western's waiver request, permitting the registration statement to be declared effective without the consent of ITEX's independent public accountants, which consent would otherwise be required under Section 7(a) of the Securities Act. See "Risk Factors."

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SUMMARY

This summary highlights selected information from this prospectus, and may not contain all of the information that is important to you. To better understand the offer to holders of shares of ITEX common stock, you should read this entire prospectus carefully, as well as those additional documents to which Western refers you.

The Companies

Western

Western is a Delaware corporation with principal executive offices at 416 South Jefferson Street, Suite 600, Roanoke, Virginia 24011. The telephone number of Western's executive offices is (540) 345-3195. Western is a holding company owning subsidiaries engaged in a number of diverse business activities. Western's primary business activities are conducted through Western Sizzlin Franchise Corporation and Western Sizzlin Stores, Inc., which franchise and operate 122 restaurants in 20 states. Financial decisions are centralized at the holding company level, and management of operating businesses is decentralized at the business unit level. Western's primary objective centers on achieving above-average returns on capital in pursuit of maximizing the eventual net worth of its stockholders. In this prospectus, references to "Western" refer to Western Sizzlin Corporation and its subsidiaries, unless the context otherwise requires.

The name, business address, principal occupation or employment, five-year employment history and citizenship of each director and executive officer of Western and certain other information are set forth on Schedule I to this prospectus. During the last five years, neither Western nor, to Western's best knowledge, any of the persons listed on Schedule I of this prospectus (1) has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (2) was a party to any judicial or administrative proceeding that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of federal or state securities laws.

ITEX

ITEX is a Nevada corporation with principal executive offices at 3326 160th Avenue SE, Suite 100, Bellevue, Washington 98008. The telephone number of ITEX's executive offices is (425) 463-4000. ITEX, The Membership Trading CommunitySM, is a leading exchange for cashless business transactions across North America (the "Marketplace"). ITEX services its member businesses through its independent licensed brokers, area directors and franchise network (individually, "Broker" and together, the "Broker Network") in the United States and Canada. ITEX's business services and payment systems enable approximately 24 thousand member businesses to trade goods and services valued at more than \$270 million without exchanging cash. These products and services are instead exchanged for ITEX dollars which can only be redeemed in the Marketplace. ITEX administers the Marketplace and acts as a third-party record-keeper for its members' transactions. ITEX generates revenue by charging members percentage-based transaction fees, association fees, and other fees assessed in United States dollars and Canadian dollars where applicable.

The Offer

Western is offering to exchange up to 2,700,000 shares of ITEX common stock at an exchange ratio of one share of ITEX common stock for .06623 shares of Western common stock, upon the terms and subject to the conditions contained in this prospectus and the accompanying revised letter of transmittal. In addition, you will receive cash instead of any fractional shares of Western common stock to which you may be entitled. If more than 2,700,000 shares of ITEX common stock are validly tendered and not properly withdrawn, all shares tendered will be purchased

on a pro rata basis. The offer is no longer conditioned on any minimum number of shares being tendered.

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On December 12, 2007, the last full trading day before Western announced its intention to commence the original offer, the closing price of a share of Western common stock was \$15.40 and the closing price of a share of ITEX common stock was \$0.90. Based on these closing prices and the exchange ratio in the offer of one share of ITEX common stock for .06623 shares of Western common stock, the Western offer had a value of \$1.02 per share of ITEX common stock. This represents a 13% premium over ITEX's closing share price on December 12, 2007, a 20% premium over ITEX's six-month average closing share price through December 12, 2007 and a 28% premium over ITEX's one-year average closing share price through December 12, 2007. On December 26, 2007, the last full trading day before the date of the original prospectus, based on the closing price of a share of Western common stock of \$18.00 and the closing price of a share of ITEX common stock of \$0.96, the Western offer had a value of \$1.19 per ITEX share, representing a 24% premium over ITEX's closing share price on December 26, 2007, a 38% premium over ITEX's six-month average closing share price through that date and a 48% premium over ITEX's one-year average closing share price through that date.

The value of the offer will change as the market prices of Western common stock and ITEX common stock fluctuate during the offer period and thereafter, and may therefore be different from the prices set forth above at the expiration of the offer period and at the time you receive your shares of Western common stock. Stockholders are encouraged to obtain current market quotations for shares of Western and ITEX common stock prior to making any decision with respect to the offer. See "Risk Factors" and "Comparative Market Price Data."

Reasons for the Offer

Western is seeking to acquire up to 2,700,000 shares of ITEX common stock in the offer for investment purposes. Following the consummation of the offer, Western intends to evaluate its investment in the ITEX common stock on a continual basis and may, from time to time, communicate with ITEX management, members of ITEX's board of directors and other stockholders of ITEX.

Following the consummation of the offer, Western may, from time to time, acquire additional shares of ITEX common stock, dispose of shares of ITEX common stock or formulate other purposes, plans or proposals regarding ITEX or the ITEX common stock, to the extent deemed advisable in light of its general investment policies, market conditions or other factors.

Ownership of Western After the Offer

Based on the exchange ratio for the offer, Western estimates that if the maximum 2,700,000 ITEX shares are exchanged pursuant to the offer, former ITEX stockholders would own, in the aggregate, approximately 6.2% of the outstanding shares of Western common stock. For a detailed discussion of the assumptions on which this estimate is based, see "The Offer—Ownership of Western After the Offer."

Conditions of the Offer

Western's obligation to exchange shares of Western common stock for shares of ITEX common stock pursuant to the offer is subject to several conditions referred to below under "The Offer—Conditions of the Offer," including the registration statement condition and the listing condition. The offer is no longer conditioned on any minimum number of shares being tendered. Western has also eliminated a number of other significant conditions to the offer.

Expiration Date of the Offer

The offer is scheduled to expire at 5:00 p.m., New York City time, on May 13, 2008, unless extended by Western. For more information, you should read the discussion below under the caption "The Offer—Extension,

Termination and Amendment.”

Extension, Termination and Amendment

To the extent legally permissible, Western reserves the right, in its sole discretion, at any time or from time to time:

- to extend, for any reason, the period of time during which the offer is open;

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- to delay acceptance for exchange of, or exchange of, any shares of ITEX common stock pursuant to the offer in order to comply in whole or in part with applicable law;
- to terminate the offer and not accept or exchange any shares of ITEX common stock not previously accepted or exchanged, upon the failure of any of the conditions of the offer to be satisfied prior to the expiration date;
- to amend or terminate the offer without accepting for exchange or exchanging any shares of ITEX common stock if ITEX agrees to enter into a negotiated merger agreement with Western; and
 - to waive any condition or otherwise amend the offer in any respect.

In addition, even if Western has accepted for exchange, but not exchanged, shares in the offer, it may terminate the offer and not exchange shares of ITEX common stock that were previously tendered if completion of the offer is illegal or if a governmental authority has commenced or threatened legal action related to the offer.

Procedure for Tendering Shares

The procedure for tendering shares of ITEX common stock varies depending on whether you possess physical certificates or a nominee holds your certificates for you and on whether or not you hold your securities in book-entry form. Western urges you to read the section captioned “The Offer—Procedure for Tendering” as well as the accompanying revised letter of transmittal.

Withdrawal Rights

You can withdraw tendered shares at any time until the offer has expired and, if Western has not agreed to accept your shares for exchange by the expiration date, you can withdraw them at any time after that date until it accepts shares for exchange.

Exchange of Shares of ITEX Common Stock; Delivery of Shares of Western Common Stock

Upon the terms and subject to the conditions of the offer (including, if the offer is extended or amended, the terms and conditions of any such extension or amendment), Western will accept for exchange, and will exchange for Western common stock, up to 2,700,000 shares of ITEX common stock validly tendered and not properly withdrawn promptly after the expiration date.

Cash Instead of Fractional Shares of Western Common Stock

Western will not issue certificates representing fractional shares of Western common stock pursuant to the offer. Instead, each tendering stockholder who would otherwise be entitled to a fractional share of Western common stock will receive cash in an amount equal to such fraction (expressed as a decimal and rounded to the nearest 0.01 of a share) multiplied by the average of the closing prices, rounded to four decimal points, of Western common stock for the 15 consecutive trading day period ending on the third trading day before the expiration date.

Regulatory Approvals

Western does not believe that the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, is applicable to the proposed transaction, and is not aware of any other material filings that will be required or advisable with any regulatory authorities in connection with the proposed transaction.

Comparison of Stockholders' Rights

You will receive Western common stock if you tender your shares of ITEX common stock in the offer. There are a number of differences between the rights of a stockholder of ITEX, a Nevada corporation, and the rights of a stockholder of Western, a Delaware corporation. Western urges you to review the discussion in the section captioned "Comparison of Stockholders' Rights."

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Risk Factors

Western's business and the offer are subject to several risks. In deciding whether to tender your shares of ITEX common stock pursuant to the offer, you should carefully read and consider the risk factors contained in the section captioned "Risk Factors."

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RECENT DEVELOPMENTS

On March 28, 2008, Western signed a term sheet to purchase a controlling interest in Mustang Capital Advisors, LP and Mustang Capital Management, LLC. Under the proposed transaction which Western announced in a press release on March 28, 2008, Western will purchase a 50.5% limited partnership interest in Mustang Capital Advisors and a 51% membership interest in Mustang Capital Management, which owns a 1% interest in Mustang Capital Advisors as its general partner. The total purchase price for these interests will be \$1,173,000, consisting of \$300,000 in cash and \$873,000 in shares of Western's common stock. The transaction is subject to definitive documentation. As of March 28, 2008, Mustang, through its funds and managed accounts, holds a total of 7.4% of Western's common stock which will be distributed to its limited partners prior to the closing of the proposed transaction. Although definitive documentation has not yet been signed between the parties and the transaction has not yet been consummated, Western has included in this prospectus financial statements of Mustang Capital Advisors, including unaudited pro forma condensed combined financial statements that give effect to this proposed transaction, because it believes that the transaction is probable to occur. There is no assurance that this transaction will be consummated. See "Unaudited Pro Forma Condensed Combined Financial Statements of Western and Mustang Capital Advisors" and the audited consolidated financial statements of Mustang Capital Advisors included elsewhere in this prospectus.

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FORWARD-LOOKING STATEMENTS

This prospectus contains “forward-looking statements.” Specific forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts and include, without limitation, words such as “may,” “will,” “expects,” “believes,” “anticipates,” “plans,” “estimates,” “projects,” “targets,” “forecasts,” “seeks,” “could” or the negative terms or other variations on such terms or comparable terminology. Similarly, statements that describe Western’s objectives, plans or goals are forward-looking. Western’s forward-looking statements are based on management’s current intent, belief, expectations, estimates and projections regarding Western and its industry. These statements are not guarantees of future performance and involve risks, uncertainties, assumptions and other factors that are difficult to predict, including those discussed below. Therefore, actual results may vary materially from what is expressed in or indicated by the forward-looking statements. Readers of this prospectus are cautioned not to place undue reliance on forward-looking statements since, while Western believes the assumptions on which the forward-looking statements are based are reasonable, there can be no assurance that these forward-looking statements will prove to be accurate. This cautionary statement is applicable to all forward-looking statements contained in this prospectus and the material accompanying this prospectus.

RISK FACTORS

Risk Factors Relating to the Offer

The exchange ratio for the offer is fixed and will not be adjusted. Because the market price of shares of Western common stock may fluctuate, ITEX stockholders cannot be sure of the market value of the shares of Western common stock that they will receive in the offer.

Subject to the terms and conditions of the offer, each outstanding share of ITEX common stock that is accepted for exchange pursuant to the offer will be exchanged for .06623 shares of Western common stock. This exchange ratio is fixed and will not be adjusted in case of any increases or decreases in the price of Western common stock or ITEX common stock. If the price of Western common stock declines (which may occur as a result of a number of reasons (many of which are out of Western’s control), including as a result of the risks described in this “Risk Factors” section), ITEX stockholders will receive less value for their shares in the offer than the value calculated pursuant to the exchange ratio on the last full trading day before Western announced its intention to commence the original offer. Because the offer may not be completed until specified conditions have been satisfied or waived (please see the section of this prospectus entitled “The Offer — Conditions of the Offer”), a significant period of time may pass between the commencement of the offer and the time that Western accepts shares of ITEX common stock for exchange. Therefore, at the time you tender your shares pursuant to the offer, you will not know the exact market value of the shares of Western common stock that will be issued to you if Western accepts your shares for exchange. ITEX stockholders are urged to obtain current market quotations for Western and ITEX common stock when they consider whether to tender their shares of ITEX common stock pursuant to the offer.

This transaction may adversely affect the liquidity and value of non-tendered ITEX common stock.

In the event that Western accepts for exchange those shares tendered into the offer, the number of stockholders and the number of shares of ITEX common stock held by individual holders will be reduced. As a result, the closing of the offer could adversely affect the liquidity and market value of the shares of ITEX common stock.

Western has only conducted a review of ITEX’s publicly available information and has not had access to ITEX’s non-public information. Any unknown liabilities of ITEX that cause a decrease in ITEX’s share price in the future may have an adverse effect on Western’s profitability and results of operations.

To date, Western has only conducted a due diligence review of ITEX's publicly available information. ITEX may be subject to liabilities that Western might have discovered if Western had been permitted to conduct a complete due diligence review of ITEX's non-public information. Any such currently unknown liabilities that come to light after the consummation of the offer may cause a decrease in ITEX's share price. Such a decline in ITEX's share price could, as a result of Western's ownership of ITEX shares, have an adverse effect on Western's profitability and results of operations.

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Western's verification of the reliability of the ITEX information included in, or omitted from, this prospectus pursuant to Western's due diligence review of ITEX has been limited by ITEX's refusal to provide Western with the accounting and other records necessary for Western to fully assess the financial and operating condition of ITEX. In addition, ITEX's refusal to provide its independent public accounting firm's consent may impact your ability to assert or recover on certain claims.

In respect of all information relating to ITEX presented in, or omitted from, this prospectus, Western has relied upon publicly available information, including information publicly filed by ITEX with the SEC. Although Western has no knowledge that would indicate that any statements contained herein regarding ITEX's condition, including its financial or operating condition, based upon such publicly filed reports and documents, are inaccurate, incomplete or untrue, Western was not involved in the preparation of such reports and documents.

ITEX has declined to furnish to Western the consent of ITEX's independent public accounting firm, which is necessary for the filing in the registration statement on Form S-4, of which this prospectus is a part, of that firm's audit report with respect to the financial statements of ITEX for its fiscal years ended July 31, 2007 and 2006.

On February 20, 2008, under Section 7(a) of the Securities Act and Rule 437 promulgated thereunder, Western submitted to the SEC a request for a waiver of the requirement to include the consent of ITEX's independent public accounting firm in the registration statement. On February 22, 2008, subject to specified conditions with which Western has complied or will comply, the SEC granted Western's waiver request, permitting the registration statement to be declared effective without the consent of ITEX's independent public accounting firm, which consent would otherwise be required under Section 7(a) of the Securities Act. The absence of this consent may limit recovery by investors on certain claims, and limit the ability of investors to assert claims against ITEX's independent public accounting firm, under Section 11 of the Securities Act, for any untrue statements of a material fact contained, or any omissions to state a material fact required to be stated, in ITEX's audited financial statements included in the registration statement. The sections of the prospectus containing ITEX financial information or information derived therefrom may, nonetheless, remain expertised under Section 11(b)(3)(c) of the Securities Act so as to provide a "due diligence" defense to third parties involved in the offer based on any claims asserted in connection with the offering of Western common stock as part of the offer.

The market price of Western common stock may decline as a result of the offer, and Western's common stock could be delisted from the Nasdaq Capital Market .

The market price of Western's common stock may decline as a result of the offer. In particular, Western estimates that it will issue approximately 178,821 shares of Western common stock in connection with the offer. The increase in the number of shares of Western common stock issued may lead to sales of such shares or the perception that such sales may occur, either of which may adversely affect the market for, and the market price of, Western common stock.

Although Western's common stock was approved for listing, and has commenced trading, on the Nasdaq Capital Market, there can be no assurance that Western's common stock will continue to meet the requirements for listing on the Nasdaq Capital Market. It is a condition to the offer that Western's common stock be approved for listing on the Nasdaq Capital Market or other national securities exchange reasonably acceptable to Western. If Western's common stock were to be delisted from the Nasdaq Capital Market, Western may seek to have its common stock listed on another national securities exchange. Any inability on the part of Western to continue to satisfy the listing requirements of the Nasdaq Capital Market, or to satisfy the initial listing or continued maintenance requirements of another national securities exchange, could result in the anticipated benefits of such listing not being realized and/or the termination or amendment of the offer.

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Antitrust authorities may attempt to delay or prevent Western's acquisition of ITEX shares.

Western does not believe that the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, is applicable to the proposed transaction, and is not aware of any other material filings that will be required with any regulatory authorities in connection with the proposed transaction. Western cannot provide any assurance that any necessary approvals will be obtained or that there will not be any adverse consequences to Western's business resulting from the failure to obtain any required regulatory approvals or from conditions that could be imposed in connection with obtaining any such approvals. You should be aware that any required regulatory approvals may not be obtained in time and could result in a significant delay in the consummation of the offer.

Upon your receipt of shares of Western common stock in the offer, you will become a stockholder in Western, a Delaware corporation, which may change some of the rights and privileges you hold as a stockholder of ITEX, a Nevada corporation.

Western is a Delaware corporation and is governed by the laws of the State of Delaware and by its certificate of incorporation and bylaws. The General Corporation Law of the State of Delaware, referred to in this prospectus as the "DGCL," extends to stockholders rights and privileges that may not exist under Nevada law and, conversely, does not extend other rights and privileges that you may have as a stockholder of a company governed by Nevada law. The directors of a Delaware corporation may elect to adopt provisions that have the effect of discouraging a third party from acquiring control of the corporation. These provisions could limit the price that some investors might be willing to pay in the future for shares of Western common stock. These Delaware provisions may also have the effect of discouraging or preventing transactions involving an actual or a threatened change in control of Western, including unsolicited takeover attempts, even though such a transaction may offer Western stockholders the opportunity to sell their shares of Western common stock at a price above the prevailing market price. For a detailed discussion of the rights of Western stockholders versus the rights of ITEX stockholders, see the section captioned "Comparison of Stockholders' Rights."

Risk Factors Relating to Western's Business

Western is dependent on key personnel.

Western believes that its success depends in part on the services of Sardar Biglari, its Chairman, Chief Executive Officer and President, and Robyn B. Mabe, its Vice President and Chief Financial Officer. The loss of the services of Mr. Biglari or Mrs. Mabe could have a material adverse effect upon Western's business, financial condition and results of operations. Qualified replacements may not be available in a timely manner, if at all. Western's continued growth will also depend on its ability to attract and retain additional skilled management personnel.

Western's stock price could be volatile.

Fluctuations in Western's stock price may result from general market conditions, perceived changes in the underlying characteristics of its business and the relative price of competing investments. The volume of trading in the market for Western common stock is typically very limited. As a consequence, liquidating your investment could cause a decline in Western's stock price. Because of changes in the balance of buy and sell orders, notwithstanding other relevant factors, the price of Western's common stock can fluctuate for reasons unrelated to the performance of its business.

Western is controlled by a few stockholders.

Two stockholders, Sardar Biglari, Western's Chairman and Chief Executive Officer, and Jonathan Dash, a director, beneficially own or exercise voting power over approximately 61% of Western's total common stock. In particular, Mr. Biglari controls approximately 35% and Mr. Dash approximately 26% of Western's outstanding common stock. Further details on their respective holdings are reflected in their Schedules 13D, as amended, which are filed with the SEC. Were these stockholders to agree to act in concert, they would have the ability to control or significantly influence all matters requiring the approval of Western's stockholders, including the election of its directors. Sale of a substantial number of shares of Western common stock by these principal stockholders in the public market could substantially reduce the prevailing market price of its common stock.

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Western's Board of Directors has recently undergone significant change.

In November 2005, Western added three new members to its Board of Directors, namely Sardar Biglari, Philip L. Cooley and Paul D. Sonkin. Subsequently, in March 2006, six of the incumbent directors, Paul C. Schorr, III (former Chairman), A. Jones Yorke, J. Alan Cowart, Jr., Pat Vezertzis, Jesse M. Harrington and Roger D. Sack, resigned from the Board. At that same time Mr. Sonkin indicated that he would not stand for reelection at the 2006 annual meeting of stockholders. He ultimately resigned prior to the annual meeting. Jonathan Dash was elected to the Board in March 2006. Thomas M. Hontzas resigned from the Board in August 2006. Kenneth R. Cooper was elected to the Board in February 2007 and Martin S. Fridson was elected to the Board in November 2007. While Western believes that the Board of Directors as presently constituted with Sardar Biglari as Chairman, Philip L. Cooley as Vice Chairman and Directors Titus W. Greene, Jonathan Dash, Kenneth R. Cooper and Martin S. Fridson, will function at least as well as the Board had done previously, there is no guarantee this will be the case. The failure of the Board to function adequately together would have a material adverse effect on Western's business. This could result in an adverse impact on Western's financial condition, results of operations and its stock price.

Western recently formed a new wholly-owned subsidiary, Western Investments, Inc., to serve as the general partner of a private investment limited partnership, Western Acquisitions, L.P. Western Investments will bear the first 30% of any cumulative net losses otherwise allocable to the capital accounts of certain limited partners.

In April 2007, Western formed Western Investments, Inc., a Delaware corporation, as a wholly-owned subsidiary. Western Investments, Inc. is the general partner of Western Acquisitions, L.P., a Delaware limited partnership also formed in April 2007. The purpose of Western Acquisitions, L.P. is to invest primarily in equity securities of U.S. publicly traded companies. Sardar Biglari, Western's Chairman, Chief Executive Officer and President, will manage the portfolio. Western Investments, Inc. will bear the first 30% of any cumulative net losses otherwise allocable to the capital accounts of limited partners holding Class B interests of Western Acquisitions, L.P. In the event that Western Investments, Inc. has insufficient resources to fund this commitment, it may be necessary for Western to make a capital contribution to keep that company from defaulting on its obligation. Such an event could potentially have a material adverse effect on Western's financial position and prevent it from using the funds provided to Western Investments, Inc. in other areas. As of the date of this prospectus, Western Acquisitions, L.P. did not have any limited partners holding Class B interests.

Western recently formed a new wholly-owned subsidiary, Western Properties, Inc., to serve as the general partner of a private investment limited partnership, Western Real Estate, L.P., which had no limited partners in 2007 but intends to operate as a private real estate investment partnership.

In December 2007, Western formed Western Properties, Inc., a Delaware corporation, as a wholly-owned subsidiary. Western Properties is the general partner of Western Real Estate, L.P., a Delaware limited partnership also formed in December 2007. There were no limited partners in the partnership at December 31, 2007 and the sole activity of these entities in 2007 was the purchase by the limited partnership of 23 acres of real property in Bexar County, Texas from an unaffiliated third party. It is the intention of Western Real Estate, L.P. to operate as a private limited partnership investing in real estate. However, this venture is in the formative stages and there is no guarantee that it will be successful.

Western is dependent on one key person for investment and capital allocation decisions.

Investment decisions and all major capital allocation decisions are made for Western and its subsidiaries, including Western Acquisitions, by Sardar Biglari, Western's Chairman of the Board of Directors, Chief Executive Officer and President. Although there are limitations on Mr. Biglari's authority at the parent company level and the Western Board of Directors monitors his investment and capital allocation decisions (see "Recent Developments"), there is risk in

having concentrated decision-making authority. Mr. Biglari's decisions could either independently or in the aggregate involve amounts that are material to Western's business. Additionally, if for any reason the services of Mr. Biglari were to become unavailable, there could be a material adverse effect on Western's business, since he is singularly responsible for these decisions.

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Western's investments in marketable securities, including through Western Acquisitions L.P., are highly concentrated.

Western's investments in marketable securities, including through Western Acquisitions, L.P., are highly concentrated. A decline in the market value of these investments may result in a decrease in Western's stock price.

Western's investment activities, including through Western Acquisitions, L.P., may involve the purchase of securities on margin.

Western may purchase securities on margin in connection with its investment activities, including through Western Acquisitions, L.P. If it does so, a significant decrease in the value of the securities that collateralize the margin line of credit could result in a margin call. If Western does not have sufficient cash available from other sources in the event of a margin call, it may be required to sell those securities at a time when it would prefer not to sell them.

Western's investment activities could require registration as an Investment Company.

While Western has historically been principally engaged in franchising and operating restaurants, its recent investment activities could bring it within the definition of an "investment company" and require it to register as an investment company under the Investment Company Act of 1940. Western's Board of Directors has adopted a policy requiring management to restrict its operations and investment activities to avoid becoming an investment company, until and unless the Board approves otherwise. Western does not intend to change its principal business and the Board has not approved otherwise. Although Western does not presently intend to change its principal business, and the Board has not approved any such change, Western has expanded its investment activities, and it may decide in the future to register as an investment company under the Investment Company Act. Also, under certain circumstances, if Western is successful in its investment activities, then it may inadvertently fall within the definition of an investment company, in which event it may be required to register as an investment company.

Notwithstanding Western's Board policy, if its investment activities inadvertently result in it being determined to be an investment company and Western fails to register as an investment company, it might be unable to enforce contracts with third parties, and third parties could seek rescission of transactions with it undertaken during the period that it was an unregistered investment company, subject to equitable considerations set forth in the Investment Company Act. In addition, Western might be subject to monetary penalties or injunctive relief, or both, in an action brought against it by the SEC.

If Western decides to register as an investment company, then it would become subject to various provisions of the Investment Company Act and the regulations adopted under such Act, which are very extensive and could adversely affect Western's operations. For example, Western might be prohibited from entering into or continuing transactions with certain of its affiliates.

Western is experiencing a decline in its franchise base.

Western has experienced steady declines in its existing franchise base for the past several years. Since January 1, 2005, Western had a total of 35 closures and currently has a total of 116 franchised restaurants. Of the 35 closed restaurants the majority were Western Sizzlin brand restaurants. The average annual sales of Western's franchised restaurants are approximately \$1.6 million. The average annual sales of the closed restaurants were \$1.0 million or less. The closures of franchised restaurants were caused by their operating at a competitive disadvantage which stemmed from such factors as location, facility, lack of reinvestment and mismanagement, among others factors. There is no guarantee that these reasons will be eliminated. Moreover, these closures occurred during generally favorable economic conditions and it is possible that this trend could accelerate in the event of an economic downturn or recession. While Western is striving to reverse this trend by revitalizing its franchise models, there is no assurance

that it will be successful in doing so and as a result its franchise base may continue to decline regardless of the economic environment.

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Western's restaurants operate in a highly competitive environment.

Western's restaurants, both franchised and company-owned, operate in a highly competitive industry comprised of a large number of restaurants, including national and regional restaurant chains and franchised restaurant operations, as well as locally-owned, independent restaurants. Price, restaurant location, food quality, service and attractiveness of facilities are important aspects of competition. The competitive environment is often affected by factors beyond a particular restaurant management's control, including changes in the public's taste and eating habits, population and traffic patterns and economic conditions. New competitors may emerge at any time. Western may not be able to compete successfully against its competitors in the future. Competition may have a material adverse effect on Western's operations or earnings.

Western is highly dependent on attracting and retaining qualified employees while also controlling labor costs.

Western is extremely dependent upon the availability of qualified restaurant personnel. Availability of staff varies widely from location to location. If restaurant management and staff turnover trends increase, Western would suffer higher direct costs associated with recruiting and retaining replacement personnel. Western could suffer from significant indirect costs, including restaurant disruptions due to management changeover and potential delays in new store openings due to staff shortages. Competition for qualified employees exerts upward pressure on wages paid to attract personnel, resulting in higher labor costs, together with greater expense to recruit and train them. Many of Western's employees are hourly workers whose wages are likely to be impacted by an increase in the federal or state minimum wage. An increase in the minimum wage may require an increase or create pressure to increase the pay scale for Western's employees. A shortage in the labor pool or other general inflationary pressures or changes could also increase Western's labor costs.

Western is dependent upon the timely delivery of fresh ingredients.

Western's restaurant operations are dependent on timely deliveries of fresh ingredients, including fresh produce, dairy products and meat. The cost, availability and quality of the ingredients Western uses to prepare its food are subject to a range of factors, many of which are beyond Western's control. Fluctuations in weather, supply and demand and economic and political conditions could adversely affect the cost, availability and quality of Western's ingredients. Historically, when operating expenses increased due to inflation or increases in food costs, Western generally has been able to offset these higher costs by increasing its menu prices. Western may not be able to recover increased costs in the future because competition may limit or even prohibit such future increases. If the variety or quality of its food products declines due to the lack or lower quality of its ingredients or due to interruptions in the flow of fresh ingredients and similar factors, customer traffic may decline and negatively affect Western's sales.

General economic factors may adversely affect Western's results of operations.

National, regional, and local economic conditions, such as recessionary economic cycles or a worsening economy, could adversely affect disposable consumer income and consumer confidence. Unfavorable changes in these factors or in other business and economic conditions affecting Western's customers could reduce customer traffic in some or all of its restaurants, impose practical limits on its pricing and increase its costs. Any of these factors could lower its profit margins and have a material adverse affect on its results of operations. The impact of inflation on food, beverages, labor, utilities and other aspects of Western's business can negatively affect its results of operations. Although Western attempts to offset inflation through periodic menu price increases, cost controls and incremental improvement in operating margins, it may not be able to completely do so. This may negatively affect Western's results of operations.

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Western faces the risk of adverse publicity and litigation relating to food-borne illness, employment and other matters that could have a material adverse effect on its business and financial performance.

Western may be the subject of complaints or litigation from customers alleging illness, injury or other food quality, health or operational concerns. While the risk of food-borne illness is real, whether it results from improper operations, new diseases or from chemicals in certain food products, the risk would generally only affect a limited number of Western's restaurants. As soon as any food issues became known to Western, those food items that were potentially at risk would be no longer served to customers.

While the risk of food-borne illness or injury would likely be localized, the risk of the adverse publicity that might result from such an incident is more generalized and accordingly much greater. The general public's response to adverse publicity relating to Western's restaurant brands could materially adversely affect a significant number of its restaurants. This could be true whether the allegations underlying the adverse publicity are valid or whether Western is liable.

Furthermore, more generalized health concerns about the consumption of beef or chicken due to reported incidents of diseases such as Bovine Spongiform Encephalopathy ("mad cow disease") or Avian Influenza ("bird flu") could lead to changes in customer preferences, reduce consumption of Western's products and adversely affect its financial performance. These events could also reduce the available supply of beef or chicken or significantly raise the prices of beef or chicken.

In addition, Western is subject to employee claims alleging injuries, wage and hour violations, discrimination, harassment or wrongful termination. In recent years, a number of restaurant companies have been subject to lawsuits, including class action lawsuits, alleging violations of federal and state law regarding workplace, employment and similar matters. A number of these lawsuits have resulted in the payment of substantial damages by the defendants. Regardless of whether any claims against Western are valid or whether Western is ultimately determined to be liable, claims may be expensive to defend and may divert time and money away from its operations and hurt its financial performance. A significant judgment for any claim(s) could materially adversely affect Western's financial condition or results of operations.

Western is regulated by the federal and state government.

The restaurant industry is subject to extensive federal, state and local laws and regulations. The development and operation of restaurants depend to a significant extent on the selection and acquisition of suitable sites. Those are subject to zoning, land use, environmental, traffic and other regulations and requirements. Western is also subject to licensing and regulation by state and local authorities relating to health, sanitation, safety and fire standards and building codes. Federal and state laws govern Western's relationships with employees, including the Fair Labor Standards Act and applicable minimum wage requirements, overtime, employment tax rates, family leave, tip credits, working conditions, safety standards and citizenship requirements. Federal and state laws prohibit discrimination and other laws regulating the design and operation of facilities, such as the Americans with Disabilities Act of 1990. In addition, Western is subject to a variety of federal, state and local laws and regulations relating to the use, storage, discharge, emission and disposal of hazardous materials. The impact of current laws and regulations, the effect of future changes in laws or regulations that impose additional requirements and the consequences of litigation relating to current or future laws and regulations could increase Western's compliance and other costs of doing business. These could adversely affect its results of operations. Failure to comply with the laws and regulatory requirements of federal, state and local authorities could result in revocation of required licenses, administrative enforcement actions, fines and civil and criminal liability.

Adverse weather conditions or losses due to casualties such as fire could negatively impact Western's financial performance.

Although Western maintains, and requires its franchisees to maintain, property and casualty insurance to protect against property damage caused by casualties and natural disasters, inclement weather, flooding, hurricanes, fire and other acts of God can adversely impact Western's sales in several ways. For example, severe weather typically discourages potential customers from dining out. In addition, a restaurant that is damaged by a natural disaster can be inoperable for a significant amount of time due to either physical damage or to a shortage of employees resulting from a relocation of the general population.

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Litigation could have a material adverse effect on Western's financial position, cash flows and results of operations.

In September 2006, Western was served with a lawsuit filed in the Circuit Court of Pulaski County, Arkansas, captioned Parks Land Company, LLLP, et al. v. Western Sizzlin Corporation, et al. The plaintiffs are owners/landlords of four restaurant premises located in the Little Rock, Arkansas metropolitan area which had been leased pursuant to a single lease agreement and previously occupied by Western. Most recently, each of these premises had been subleased to various operators. The lease agreement expired pursuant to its terms on June 30, 2006. The plaintiffs claimed in their lawsuit unspecified damages allegedly owing for certain repair and maintenance expenses on the premises, for the replacement of certain equipment, for diminution of property value, and for loss of rental income, as well as interest and costs. On February 12, 2008, this case came before the Court for trial. On February 20, 2008, a 12 member jury returned a plaintiffs' verdict in the amount of \$689,526. On February 29, 2008, the Circuit Court of Pulaski County, Arkansas entered judgment in the case captioned Parks Land Company, LLLP, et al. v. Western Sizzlin Corporation, et al. against Western in the amount of \$689,666 plus plaintiffs' legal costs. Western has currently added to the reserve as a result of the verdict and as of December 31, 2007 has accrued \$900,000. Of this amount, \$275,000 had been accrued in 2006. Western disagrees with the result of the trial and has filed post-trial motions, seeking a new trial or judgment notwithstanding the verdict. In the event the court denies the post-judgment relief, Western will consider an appeal. There can be no assurance that ultimate settlement of this case will not be more than \$900,000.

Western is also from time to time a party to various other legal actions which are ordinary routine matters incidental to its business. While Western believes that the ultimate outcome of these matters individually and in the aggregate will not have a material impact on its financial position, it cannot assure that an adverse outcome on any of these matters would not, in fact, materially impact its financial position, cash flows and results of operations.

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COMPARATIVE MARKET PRICE DATA

Western's common stock commenced trading on the Nasdaq Capital Market under the symbol "WEST" on February 25, 2008, and was previously quoted on the OTC Bulletin Board under the symbol "WSZL.OB." Shares of ITEX common stock are quoted on the OTC Bulletin Board under the symbol "ITEX.OB."

As quoted on the OTC Bulletin Board, the following table sets forth historical closing prices per share for shares of Western common stock and shares of ITEX common stock on December 12, 2007, the last full trading day before Western announced its intention to commence the original offer. The table below illustrates the number of shares and per share value of Western common stock you would receive based on these closing prices and the exchange ratio for the offer.

	Western Common Stock	ITEX Common Stock	Shares of Western Common Stock to be Received	Per Share Value of Western Common Stock to be Received
December 12, 2007	\$ 15.40	\$ 0.90	.06623	\$ 1.02

The value of the offer will change as the market prices of Western common stock and ITEX common stock fluctuate during the offer period and thereafter, and may therefore be different from the prices set forth above at the expiration of the offer period and at the time you receive your shares of Western common stock. **YOU ARE ENCOURAGED TO OBTAIN CURRENT MARKET QUOTATIONS PRIOR TO MAKING ANY DECISION WITH RESPECT TO THE OFFER.**

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COMPARATIVE HISTORICAL PER SHARE DATA

The table set forth below depicts historical information about basic and diluted net income (loss) per share and book value per share for Western for its fiscal year ended December 31, 2007 and for ITEX for its fiscal year ended July 31, 2007 and six months ended January 31, 2008, on a historical basis. You should read the information presented in this table below together with the historical financial statements of Western and ITEX and the related notes, which are included elsewhere in this prospectus.

	Year Ended December 31, 2007	
Western historical data		
Net (loss) per share		
Basic	\$	(0.13)
Diluted	\$	(0.13)
Book value per share	\$	8.72
	Six Months Ended January 31, 2008	Year Ended July 31, 2007
ITEX historical data		
Net income per share		
Basic	\$ 0.03	\$ 0.25
Diluted	\$ 0.03	\$ 0.25
Book value per share	\$ 0.72	\$ 0.69

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SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF WESTERN

October 2003 Merger, Name Change and Format Restructuring

Effective October 21, 2003, Western merged its wholly-owned subsidiary, The Western Sizzlin Corporation, a Delaware corporation, into Austins Steak and Saloon, Inc., with Austins being the surviving entity. At the same time, Western changed its name to “Western Sizzlin Corporation” by amending its Certificate of Incorporation. The amendment was approved by solicitation of written stockholder consents without a meeting pursuant to Section 288 of the DGCL. On September 30, 2003, the 60th day following the date of the first consent received, stockholders voting 6,495,149 shares or 53.4% of the outstanding common stock submitted written consents to the action.

Effective January 1, 2007, Western restructured its operations into a holding company/subsidiary format whereby all of its operations are now conducted through wholly-owned subsidiaries. This restructuring is not anticipated to have any tax impact and will have no impact on Western’s financial reporting as it will continue to report consolidated financial statements.

Financial Data

The following selected historical consolidated financial information for each of the years ended December 31, 2003 through 2007 has been derived from Western’s consolidated financial statements. For additional information see “Western Management’s Discussion and Analysis of Financial Condition and Results of Operations”, included in this prospectus. The information set forth below is qualified by reference to, and should be read in conjunction with, the consolidated financial statements and related notes included in this prospectus.

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	In Thousands, except per share data				
	2007	2006	2005	2004	2003
Statement of Operations					
Data:					
Total revenues	\$ 17,257	\$ 17,404	\$ 19,372	\$ 21,708	\$ 21,060
Income from restaurant and franchise operations	508	572	1,405	1,174	783
Income (loss) from investment activities	(1,163)	(105)	—	—	—
Net income (loss)	(244)	274	681	566	212
Basic and diluted earnings (loss) per share	\$ (0.13)	\$ 0.23	\$ 0.57	\$ 0.48	\$ 0.17
Shares used in computing basic earnings (loss) per share	1,905	1,215	1,189	1,190	1,212
Shares used in computing diluted earnings (loss) per share	1,905	1,225	1,190	1,190	1,212
Balance Sheet Data:					
Working capital surplus (deficit)	(1,609)	3,238	2,001	1,480	141
Total assets	30,509	19,820	15,476	16,697	16,894
Long-term debt, excluding current maturities	566	685	848	2,698	3,549
Other long-term liabilities	89	464	42	15	50
Stockholders' equity	23,502	17,398	11,760	10,093	10,527
Other Financial Data:					
Dividends declared	—	—	—	—	119

Table of ContentsSELECTED HISTORICAL CONSOLIDATED
FINANCIAL DATA OF ITEX

The following table sets forth selected historical consolidated financial data of ITEX for each of the years in the four-year period ended July 31, 2007 and for the six months ended January 31, 2008 and 2007. This information is derived from, and should be read in conjunction with, ITEX's audited consolidated financial statements for each of the years in the four-year period ended July 31, 2007 and unaudited consolidated financial statements for the six months ended January 31, 2008 and 2007 which are included elsewhere in this prospectus or in ITEX's publicly filed reports with the SEC. For additional information, see "ITEX Management's Discussion and Analysis of Financial Condition and Results of Operations."

	2007	Year Ended July 31, 2006 2005 2004			Six Months Ended January 31, 2008 2007	
	(In thousands, except per share data)					
Revenue	\$ 14,171	\$ 14,646	\$ 10,225	\$ 10,283	\$ 8,028	\$ 7,455
Costs and expenses	12,666	13,305	9,496	9,662	7,274	6,632
Income from operations	1,505	1,341	729	621	754	823
Other income - net	156	117	109	1,622	5	86
Income before income taxes	1,661	1,458	838	2,243	759	909
Income tax (benefit) expense	(2,843)	(1,975)	(2,260)	--	290	337
Net income	\$ 4,504	\$ 3,433	\$ 3,098	\$ 2,243	\$ 469	\$ 572
Net income per common share						
Basic	\$ 0.25	\$ 0.19	\$ 0.17	\$ 0.12	\$ 0.03	\$ 0.03
Diluted	\$ 0.25	\$ 0.18	\$ 0.17	\$ 0.12	\$ 0.03	\$ 0.03

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BACKGROUND AND REASONS FOR THE OFFER

Background of the Offer

In July 2007, Western commenced purchasing shares of ITEX common stock. Western continued purchasing shares of ITEX common stock through October 18, 2007 and, as of the date of this prospectus, beneficially owned 700,714 shares of ITEX common stock, representing approximately 3.9% of the outstanding ITEX shares, based upon publicly available information.

On December 12, 2007, Western's board of directors convened a telephonic meeting. After discussion, Western's board of directors determined that the original offer, followed by a second-step merger of a wholly-owned subsidiary of Western with and into ITEX, were advisable and in the best interests of Western and its stockholders and approved the acquisition of ITEX upon the terms and subject to the conditions set forth in the original prospectus.

Following the board meeting on December 12, 2007, Sardar Biglari, Western's Chairman of the Board, Chief Executive Officer and President, telephoned Steven White, ITEX's Chairman, Chief Executive Officer and Interim Chief Financial Officer, to inform him of Western's intention to commence the original offer. Western then issued a press release announcing its intention to commence the original offer and delivered to ITEX its request for ITEX's stockholder list and security position listings, as well as the requests described under "Note on ITEX Information" above.

On December 13, 2007, Messrs. Biglari and White had a telephone conversation in which they discussed the proposed transaction and their views on valuation. Mr. Biglari requested an in-person meeting among Mr. Biglari, Mr. White and Philip L. Cooley, Western's Vice Chairman of the Board, to discuss the two companies and the proposed transaction, and Mr. White was agreeable to such a meeting. Mr. Biglari said that he would check Dr. Cooley's schedule and then call Mr. White to arrange a meeting at a convenient time and location for Mr. White.

On December 14, 2007, ITEX issued a press release confirming it had received notice of the proposed exchange offer and reporting on Messrs. Biglari's and White's telephone conversation on December 13, 2007.

Also on December 14, 2007, Mr. Biglari telephoned Mr. White to schedule an in-person meeting among Mr. Biglari, Dr. Cooley and Mr. White at ITEX's corporate headquarters for the following week. On December 17, 2007, Mr. Biglari received a call from a representative of ITEX, who informed Mr. Biglari that Mr. White was unavailable to meet through the end of 2007.

On December 27, 2007, Western commenced the original offer by filing a Schedule TO and a registration statement on Form S-4 with the SEC, and renewed its request for the use of ITEX's stockholder list and security position listings for the purpose of disseminating the original offer. Western also issued a press release on that date announcing the commencement of the original offer.

On December 31, 2007, ITEX, through its counsel, advised Western that ITEX would furnish Western with the stockholder information required to be provided by ITEX pursuant to Rule 14d-5(c) under the Exchange Act. ITEX's counsel transmitted these materials to Western's counsel by e-mail on January 2, 2008.

On January 7, 2008, Mr. Biglari received a letter from Mr. White that stated ITEX's then current position on the original offer, set forth its initial considerations regarding the original offer and reciprocated on Mr. Biglari's request for a meeting, which Mr. Biglari initially made on December 13, 2007. ITEX also issued a press release on that date requesting that its stockholders take no action at that time in response to Western's original offer and stating that, on or before January 11, 2008, ITEX intended to file with the SEC a Solicitation/Recommendation Statement on Schedule

14D-9 containing a formal recommendation to ITEX stockholders regarding the original offer.

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On January 8, 2008, Messrs. Biglari and White had a telephone conversation in which they discussed the original offer. Messrs. Biglari and White scheduled a telephone conference for the following day that would also be joined by Dr. Cooley and Eric Best, a director of ITEX.

On January 9, 2008, Mr. Biglari and Dr. Cooley participated in the scheduled telephone conference with Messrs. White and Best in which they further discussed the original offer, the two companies and their strategies, and their respective views on valuation, with Mr. White insisting that ITEX was “not for sale.” At no point during this conversation did Mr. Biglari say that Mr. White would “not have a future with the Company” if he did not support the original offer, a statement that ITEX wrongly attributed to Mr. Biglari in its Schedule 14D-9. Indeed, Mr. Biglari’s alleged quote runs directly contrary to Western’s numerous statements, acknowledged by ITEX in its Schedule 14D-9, that Western intended to continue to operate ITEX’s business and keep its current management in place.

On January 11, 2008, ITEX filed its Solicitation/Recommendation Statement on Schedule 14D-9, which stated that its Board of Directors determined that the original offer was inadequate and not in the best interests of ITEX or its stockholders and recommended that ITEX’s stockholders reject the original offer and not tender their ITEX shares in the original offer. ITEX also issued a press release containing its Board’s recommendation. However, ITEX failed to file its Schedule 14D-9 within the time period required by SEC rules.

On January 28, 2008, Mr. Biglari issued a letter to ITEX stockholders discussing Western’s business, its plans and its belief that stockholders tendering their shares in the original offer would maximize the return on their investment.

On February 1, 2008, Western announced the extension of the expiration date of the original offer to 5:00 p.m., New York City time, on February 28, 2008.

On February 7, 2008, Western updated its request for the use of ITEX’s stockholder list and security position listings for the purpose of disseminating the original offer, and for the provision of the consent of ITEX’s independent public accounting firm. On February 7, 2008, ITEX, through its counsel, delivered a letter to Western transmitting updated stockholder list and security position listings. In this letter, ITEX declined to furnish to Western the consent of ITEX’s independent public accounting firm.

On February 14, 2008, Mr. White issued a letter to ITEX stockholders updating them on recent ITEX developments and commenting on the status of the original offer.

Also on February 14, 2008, ITEX announced that its board of directors had amended its bylaws to (1) require that a stockholder who intends to make a nomination for director or propose business to be brought before an annual meeting of stockholders must first give notice to ITEX, (2) provide that special meetings of the stockholders may only be called by the Chairman of the Board, or the CEO, or at the request of a majority of the board of directors, (3) provide that stockholders may only take action at a duly called annual or special meeting of stockholders, and may not take action by written consent without a meeting, (4) modify the number of directors by reducing the range from three to five, from a previous range of three to nine, and (5) remove a section that provided that directors may be removed by other directors for cause.

On February 20, 2008, Western submitted to the SEC a request for a waiver of the requirement to include the consent of ITEX’s independent public accounting firm in the registration statement on Form S-4, of which this prospectus is a part. On February 22, 2008, subject to specified conditions with which Western has complied or will comply, the SEC granted Western’s waiver request, permitting the registration statement to be declared effective without the consent of ITEX’s independent public accounting firm.

On February 29, 2008, Western announced the extension of the expiration date of the offer to 5:00 p.m., New York City time, on March 26, 2008.

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On March 3, 2008, ITEX filed with the SEC its Quarterly Report on Form 10-Q for the quarterly period ended January 31, 2008, in which it disclosed the following: (1) ITEX increased the annual base salary of Mr. White to \$150,000 for serving as ITEX's Chief Executive Officer; (2) ITEX entered into a Change of Control Agreement with Mr. White under which Mr. White would receive a lump sum payment equal to one times his base salary and immediate vesting of all equity-based compensation upon a change of control and a severance payment equal to two times his base salary upon termination of his employment either (a) by ITEX without "cause," or (b) by Mr. White for "good reason" after the occurrence of a change in control; and (3) ITEX's compensation committee approved a form of change of control agreement for certain key employees of ITEX, which provides that if the employee's employment is terminated by ITEX without "cause" or by the employee for "good reason" within one year after a change in control occurs, the employee will generally be entitled to receive a continuation of the employee's annual base salary, as severance pay, over a designated period following the severance date up to a maximum of 12 months, plus accelerated vesting of any equity-based compensation and continued medical group health and dental plan coverage for the period the employee receives severance pay.

On March 6, 2008, Western updated its request for the use of ITEX's stockholder list and security position listings for the purpose of disseminating the offer.

On March 13, 2008, Western amended the offer and issued a press release announcing the amended offer and the elimination of a number of significant conditions to the offer.

On March 25, 2008, ITEX issued a press release announcing that its board of directors' recommendation that ITEX stockholders reject the offer had not changed, and urging ITEX stockholders to withdraw any tendered shares before the expiration of the offer. On March 25, 2008, ITEX also issued a memorandum to stockholders from Mr. White, which commented on the offer.

On March 27, 2008, Western announced the extension of the expiration date of the offer to 5:00 p.m., New York City time, on April 30, 2008.

On May 1, 2008, Western announced the extension of the expiration date of the offer to 5:00 p.m., New York City time, on May 13, 2008.

On May 1, 2008, ITEX announced that it had retained the investment bank Montgomery & Co, LLC as its financial advisor to assist ITEX's board of directors and management in evaluating strategic alternatives.

Reasons for the Offer

Western is seeking to acquire up to 2,700,000 shares of ITEX common stock in the offer for investment purposes. Following the consummation of the offer, Western intends to evaluate its investment in the ITEX common stock on a continual basis and may, from time to time, communicate with ITEX management, members of ITEX's board of directors and other stockholders of ITEX.

Following the consummation of the offer, Western may, from time to time, acquire additional shares of ITEX common stock, dispose of shares of ITEX common stock or formulate other purposes, plans or proposals regarding ITEX or the ITEX common stock, to the extent deemed advisable in light of its general investment policies, market conditions or other factors.

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THE OFFER

Western is offering to exchange up to 2,700,000 shares of ITEX common stock at an exchange ratio of one share of ITEX common stock for .06623 shares of Western common stock, upon the terms and subject to the conditions contained in this prospectus and the accompanying revised letter of transmittal. In addition, you will receive cash instead of any fractional shares of Western common stock to which you may be entitled.

The term “expiration date” means 5:00 p.m., New York City time, on May 13, 2008, unless Western extends the period of time for which the offer is open, in which case the term “expiration date” means the latest time and date on which the offer, as so extended, expires.

If you have already tendered your shares of ITEX common stock, you do not need to do anything to tender into the amended offer. Shares of ITEX common stock validly tendered and not properly withdrawn prior to the date of this prospectus will automatically be considered to have been tendered pursuant to the terms of the amended offer set forth in this prospectus.

If you are a registered stockholder and tender your shares of ITEX common stock directly to the exchange agent, you will not be obligated to pay any charges or expenses of the exchange agent or any brokerage commissions. If you hold your shares through a broker or bank, you should consult your institution as to whether or not they will charge you any service fees. Except as set forth in the instructions to the revised letter of transmittal, transfer taxes on the exchange of shares of ITEX common stock pursuant to the offer will be paid by Western.

Western is seeking to acquire up to 2,700,000 shares of ITEX common stock in the offer for investment purposes. Following the consummation of the offer, Western intends to evaluate its investment in the ITEX common stock on a continual basis and may, from time to time, communicate with ITEX management, members of ITEX’s board of directors and other stockholders of ITEX.

Based on the exchange ratio for the offer, Western estimates that if the maximum 2,700,000 ITEX shares are exchanged pursuant to the offer, former ITEX stockholders would own, in the aggregate, approximately 6.2% of the outstanding shares of Western common stock. For a detailed discussion of the assumptions on which this estimate is based, see “The Offer—Ownership of Western After the Offer.”

Western’s obligation to exchange shares of Western common stock for shares of ITEX common stock pursuant to the offer is subject to several conditions referred to below under “Conditions of the Offer,” including the registration statement condition and the listing condition. The offer is no longer conditioned on any minimum number of shares being tendered. Western has also eliminated a number of other significant conditions to the offer.

Pursuant to Exchange Act Rule 14d-5, Western asked ITEX for its stockholder list and security position listings to communicate with you and to distribute Western’s offer to you, and ITEX delivered these materials to Western on January 2, 2008. Western received updated stockholder list and security position listings from ITEX on February 7, 2008 and during March 2008. Western’s original prospectus, the related letter of transmittal and other relevant materials were delivered, and this prospectus, the revised letter of transmittal and other relevant materials will be delivered, to record holders of shares of ITEX common stock and to brokers, dealers, commercial banks, trust companies and similar persons whose names, or the names of whose nominees, appeared on ITEX’s stockholder list or, if applicable, who were listed as participants in a clearing agency’s security position listing, so that they could in turn send these materials to beneficial owners of shares of ITEX common stock.

Expiration Date of the Offer

The offer is scheduled to expire at 5:00 p.m., New York City time, on May 13, 2008, unless extended by Western. For more information, you should read the discussion below under the caption “The Offer—Extension, Termination and Amendment.”

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Extension, Termination and Amendment

Subject to the applicable rules of the SEC and the terms and conditions of the offer, Western expressly reserves the right, in its sole discretion, at any time or from time to time, to extend, for any reason, the period of time during which the offer remains open, and Western can do so by giving oral or written notice of such extension to the exchange agent. If Western decides to so extend the offer, Western will make an announcement to that effect no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date. Western is not making any assurance that it will exercise its right to extend the offer, although it currently intends to do so until all conditions to the offer have been satisfied or waived. During any such extension, all shares of ITEX common stock previously tendered and not withdrawn will remain subject to the offer, subject to your right to withdraw your shares of ITEX common stock. You should read the discussion under “The Offer—Withdrawal Rights” for more details.

To the extent legally permissible, Western also reserves the right, in its sole discretion, at any time or from time to time:

- to delay acceptance for exchange of, or exchange of, any shares of ITEX common stock pursuant to the offer in order to comply in whole or in part with applicable law;
- to terminate the offer and not accept or exchange any shares of ITEX common stock not previously accepted or exchanged, upon the failure of any of the conditions of the offer to be satisfied prior to the expiration date;
- to amend or terminate the offer without accepting for exchange or exchanging any shares of ITEX common stock if ITEX agrees to enter into a negotiated merger agreement with Western; and
 - to waive any condition or otherwise amend the offer in any respect.

In addition, even if Western has accepted for exchange, but not exchanged, shares in the offer, it may terminate the offer and not exchange shares of ITEX common stock that were previously tendered if completion of the offer is illegal or if a governmental authority has commenced or threatened legal action related to the offer.

Western will effect any extension, termination, amendment or delay by giving oral or written notice to the exchange agent and by making a public announcement as promptly as practicable thereafter. In the case of an extension, any such announcement will be issued no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date. Subject to applicable law and without limiting the manner in which Western may choose to make any public announcement, Western assumes no obligation to publish, advertise or otherwise communicate any such public announcement other than by making a press release.

Western acknowledges that Rule 14e-1(c) under the Exchange Act requires Western to pay the consideration offered or return the shares of ITEX common stock tendered promptly after the termination or withdrawal of the offer.

Western confirms to you that if it makes a material change in the terms of the offer or the information concerning the offer, or if it waives a material condition of the offer, it will extend the offer to the extent required under the Exchange Act. If, prior to the expiration date, Western changes the percentage of shares of ITEX common stock being sought or the consideration offered to you, that change will apply to all holders whose shares of ITEX common stock are accepted for exchange pursuant to Western’s offer, regardless of whether the shares were tendered before or after the change. If at the time notice of that change is first published, sent or given to you, the offer is scheduled to expire at any time earlier than the tenth business day from and including the date that such notice is first so published, sent or given, Western will extend the offer until the expiration of that ten business day period. For purposes of the offer, a “business day” means any day other than a Saturday, Sunday or federal holiday and consists of the time period from

12:01 a.m. through 12:00 midnight, New York City time.

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Because the amended offer is for less than all of the outstanding ITEX common stock, Exchange Act Rule 14d-11 does not permit Western to provide a subsequent offering period after the expiration of the offer.

Exchange of ITEX Shares; Delivery of Western Common Stock and Cash

Upon the terms and subject to the conditions of the offer (including, if the offer is extended or amended, the terms and conditions of any such extension or amendment), Western will accept for exchange, and will exchange, up to 2,700,000 shares of ITEX common stock validly tendered and not properly withdrawn promptly after the expiration date. In addition, subject to applicable rules of the SEC, Western expressly reserves the right to delay acceptance for exchange of, or the exchange of, shares of ITEX common stock in order to comply with any applicable law. In all cases, exchange of shares of ITEX common stock tendered and accepted for exchange pursuant to the offer will be made only after timely receipt by the exchange agent of certificates for those shares of ITEX common stock (or a confirmation of a book-entry transfer of those shares of ITEX common stock in the exchange agent's account at The Depository Trust Company, referred to as "DTC"), a properly completed and duly executed letter of transmittal and any other required documents.

For purposes of the offer, Western will be deemed to have accepted for exchange shares of ITEX common stock validly tendered and not properly withdrawn as, if and when it notifies the exchange agent of its acceptance of the tenders of those shares of ITEX common stock pursuant to the offer. The exchange agent will deliver Western common stock in exchange for shares of ITEX common stock pursuant to the offer and cash instead of fractional shares of Western common stock promptly after receipt of such notice. The exchange agent will act as your agent for the purpose of receiving Western common stock (and cash to be paid instead of fractional shares of Western common stock) from Western and transmitting such stock and cash to you. You will not receive any interest on any cash that Western pays you, even if there is a delay in making the exchange.

If Western does not accept any tendered shares of ITEX common stock for exchange pursuant to the terms and conditions of the offer for any reason (including shares not accepted because of proration), or if certificates are submitted for more shares of ITEX common stock than are tendered, Western will return certificates for such unexchanged shares of ITEX common stock without expense to the tendering stockholder or, in the case of shares of ITEX common stock tendered by book-entry transfer of such shares of ITEX common stock into the exchange agent's account at DTC pursuant to the procedures set forth below in the section entitled "The Offer—Procedure for Tendering," those shares of ITEX common stock will be credited to an account maintained within DTC promptly following expiration or termination of the offer.

Western reserves the right to transfer or assign, in whole or from time to time in part, to one or more of its affiliates, the right to exchange all or any portion of the shares of ITEX common stock tendered pursuant to the offer, but any such transfer or assignment will not relieve Western of its obligations under the offer or prejudice the rights of tendering stockholders to exchange shares of ITEX common stock validly tendered and accepted for exchange pursuant to the offer.

Cash Instead of Fractional Shares of Western Common Stock

Western will not issue certificates representing fractional shares of Western common stock pursuant to the offer. Instead, each tendering stockholder who would otherwise be entitled to a fractional share of Western common stock will receive cash in an amount equal to such fraction (expressed as a decimal and rounded to the nearest 0.01 of a share) multiplied by the average of the closing prices, rounded to four decimal points, of Western common stock for the 15 consecutive trading day period ending on the third trading day before the expiration date.

Proration

If more than 2,700,000 shares of ITEX common stock is validly tendered and not properly withdrawn prior to the expiration date, Western will, upon the terms and subject to the conditions of the offer, accept shares for exchange on a pro rata basis. If proration of tendered shares is required, Western will determine the proration factor promptly following the expiration date. Proration for each stockholder tendering shares will be based on the ratio of the number of shares validly tendered and not properly withdrawn by such stockholder to the total number of shares validly tendered and not properly withdrawn by all stockholders. Because of the difficulty in determining the number of shares validly tendered, including shares tendered by guaranteed delivery procedures as described below, and not properly withdrawn, Western does not expect that it will be able to announce the final proration factor until five to seven business days after the expiration date. The preliminary results of any proration will be announced by press release promptly after the expiration date. ITEX stockholders may obtain preliminary proration information from the information agent or exchange agent for the offer and may be able to obtain this information from their brokers.

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Procedure for Tendering

For you to validly tender shares of ITEX common stock pursuant to the offer, either (a) a properly completed and duly executed letter of transmittal, along with any required signature guarantees, or an agent's message in connection with a book-entry transfer, and any other required documents, must be received by the exchange agent at one of its addresses set forth on the back cover of this prospectus, and certificates for tendered shares of ITEX common stock must be received by the exchange agent at such address or those shares of ITEX common stock must be tendered pursuant to the procedures for book-entry transfer set forth below (and a confirmation of receipt of such tender, referred to as a "book-entry confirmation," must be received), in each case before the expiration date, or (b) you must comply with the guaranteed delivery procedures set forth below under "The Offer—Guaranteed Delivery."

The term "agent's message" means a message transmitted by DTC to, and received by, the exchange agent and forming a part of a book-entry confirmation, which states that DTC has received an express acknowledgment from the DTC participant tendering the shares of ITEX common stock that are the subject of such book-entry confirmation, that such participant has received and agrees to be bound by the terms of the letter of transmittal and that Western may enforce that agreement against such participant.

Tendering stockholders may use either the revised letter of transmittal and the revised notice of guaranteed delivery circulated with this prospectus or the original letter of transmittal and the original notice of guaranteed delivery previously circulated with the original prospectus. Stockholders using the original letter of transmittal to tender their shares will nevertheless be deemed to be tendering pursuant to the terms and conditions contained in this prospectus and the enclosed revised letter of transmittal.

The exchange agent has established accounts with respect to the shares of ITEX common stock at DTC in connection with the offer, and any financial institution that is a participant in DTC may make book-entry delivery of shares of ITEX common stock by causing DTC to transfer such shares into the exchange agent's account in accordance with DTC's procedure for such transfer. However, although delivery of shares of ITEX common stock may be effected through book-entry transfer at DTC, the letter of transmittal with any required signature guarantees, or an agent's message, along with any other required documents, must, in any case, be received by the exchange agent at one of its addresses set forth on the back cover of this prospectus prior to the expiration date, or the guaranteed delivery procedures described below must be followed. Western cannot assure you that book-entry delivery of ITEX shares will be available. If book-entry delivery is not available, you must tender ITEX shares by means of delivery of ITEX share certificates or pursuant to the guaranteed delivery procedures set forth below under "The Offer—Guaranteed Delivery."

Signatures on all letters of transmittal must be guaranteed by an eligible institution (as defined below), except (1) in cases in which shares of ITEX common stock are tendered by a registered holder of shares of ITEX common stock who has not completed the box entitled "Special Issuance Instructions" or the box entitled "Special Delivery Instructions" on the letter of transmittal or (2) if shares of ITEX common stock are tendered for the account of a financial institution that is a member of the Securities Transfer Agents Medallion Program or by any other "eligible guarantor institution," as that term is defined in Rule 17Ad-15 under the Exchange Act (each of the foregoing is referred to as an "eligible institution"). Most banks, savings and loan associations and brokerage houses are able to effect these signature guarantees for you.

If the certificates for shares of ITEX common stock are registered in the name of a person other than the person who signs the letter of transmittal, or if the offer consideration is to be delivered, or certificates for unexchanged shares of ITEX common stock are to be issued, to a person other than the registered holder(s), the ITEX share certificates must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name or names of the registered owner or owners appear on the certificates, with the signature(s) on the certificates or stock powers

guaranteed by an eligible institution.

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In all cases, Western will exchange shares of ITEX common stock tendered and accepted for exchange pursuant to the offer only after timely receipt by the exchange agent of certificates for shares of ITEX common stock (or timely confirmation of a book-entry transfer of such securities into the exchange agent's account at DTC as described above), properly completed and duly executed letter(s) of transmittal (or an agent's message in connection with a book-entry transfer) and any other required documents.

By executing a letter of transmittal as set forth above, you irrevocably appoint Western's designees as your attorneys-in-fact and proxies, each with full power of substitution, to the full extent of your rights with respect to your shares of ITEX common stock tendered and accepted for exchange by Western and with respect to any and all other shares of ITEX common stock and other securities issued or issuable in respect of the shares of ITEX common stock on or after the expiration date. That appointment is effective, and voting rights will be affected, when and only to the extent that Western deposits with the exchange agent the shares of its common stock and the cash in lieu of fractional shares in consideration for the shares of ITEX common stock that you have tendered. All such proxies will be considered coupled with an interest in the tendered shares of ITEX common stock and therefore will not be revocable. Upon the effectiveness of such appointment, all prior proxies that you have given will be revoked, and you may not give any subsequent proxies (and, if given, they will not be deemed effective). Western's designees will, with respect to the shares of ITEX common stock for which the appointment is effective, be empowered, among other things, to exercise all of your voting and other rights as they, in their sole discretion, deem proper at any annual, special or adjourned meeting of ITEX's stockholders or otherwise. Western reserves the right to require that, in order for shares of ITEX common stock to be deemed validly tendered, immediately upon the exchange of those shares, Western must be able to exercise full voting rights with respect to those shares.

THE METHOD OF DELIVERY OF ITEX SHARE CERTIFICATES AND ALL OTHER REQUIRED DOCUMENTS, INCLUDING DELIVERY THROUGH DTC, IS AT YOUR OPTION AND RISK, AND THE DELIVERY WILL BE DEEMED MADE ONLY WHEN ACTUALLY RECEIVED BY THE EXCHANGE AGENT. IF DELIVERY IS BY MAIL, WESTERN RECOMMENDS REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED. IN ALL CASES, YOU SHOULD ALLOW SUFFICIENT TIME TO ENSURE TIMELY DELIVERY.

TO PREVENT BACKUP FEDERAL INCOME TAX WITHHOLDING, YOU MUST PROVIDE THE EXCHANGE AGENT WITH YOUR CORRECT TAXPAYER IDENTIFICATION NUMBER AND CERTIFY WHETHER YOU ARE SUBJECT TO BACKUP WITHHOLDING OF FEDERAL INCOME TAX BY COMPLETING THE SUBSTITUTE FORM W-9 INCLUDED IN THE LETTER OF TRANSMITTAL. SOME STOCKHOLDERS (INCLUDING, AMONG OTHERS, ALL CORPORATIONS AND SOME FOREIGN INDIVIDUALS) ARE NOT SUBJECT TO THESE BACKUP WITHHOLDING AND REPORTING REQUIREMENTS. IN ORDER FOR A FOREIGN INDIVIDUAL TO QUALIFY AS AN EXEMPT RECIPIENT, THE STOCKHOLDER MUST SUBMIT A FORM W-8BEN, SIGNED UNDER PENALTIES OF PERJURY, ATTESTING TO THAT INDIVIDUAL'S EXEMPT STATUS.

Guaranteed Delivery

If you wish to tender shares of ITEX common stock pursuant to the offer and your certificates are not immediately available or you cannot deliver the certificates and all other required documents to the exchange agent prior to the expiration date or complete the procedure for book-entry transfer on a timely basis, your shares of ITEX common stock may nevertheless be tendered, as long as all of the following conditions are satisfied:

- you make your tender by or through an eligible institution;

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a properly completed and duly executed notice of guaranteed delivery, substantially in the form made available by Western, is received by the exchange agent as provided below prior to the expiration date; and

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- the certificates for all tendered shares of ITEX common stock (or a confirmation of a book-entry transfer of such securities into the exchange agent's account at DTC as described above), in proper form for transfer, together with a properly completed and duly executed letter of transmittal with any required signature guarantees (or, in the case of a book-entry transfer, an agent's message) and all other documents required by the letter of transmittal, are received by the exchange agent within three trading days after the date of execution of such notice of guaranteed delivery.

You may deliver the notice of guaranteed delivery by hand, overnight courier, facsimile transmission or mail to the exchange agent. The notice must include a guarantee by an eligible institution in the form set forth in the notice.

The tender of shares of ITEX common stock pursuant to any of the procedures described above will constitute a binding agreement between Western and you upon the terms and subject to the conditions of the offer.

Matters Concerning Validity and Eligibility

Western will determine all questions as to the validity, form, eligibility (including time of receipt) and acceptance for exchange of any tender of shares of ITEX common stock, in its sole discretion, and its determination will be final and binding to the fullest extent permitted by law. Western reserves the absolute right to reject any and all tenders of shares of ITEX common stock that it determines are not in proper form or the acceptance of or exchange for which may, in the opinion of its counsel, be unlawful. Western also reserves the absolute right to waive any defect or irregularity in the tender of any shares of ITEX common stock. No tender of shares of ITEX common stock will be deemed to have been validly made until all defects and irregularities in tenders of shares of ITEX common stock have been cured or waived. None of Western, the exchange agent, the information agent or any other person will be under any duty to give notification of any defects or irregularities in the tender of any shares of ITEX common stock or will incur any liability for failure to give any such notification. Western's interpretation of the terms and conditions of the offer (including the letter of transmittal and instructions thereto) will be final and binding to the fullest extent permitted by law.

IF YOU HAVE ANY QUESTIONS ABOUT THE PROCEDURE FOR TENDERING SHARES OF ITEX COMMON STOCK, PLEASE CONTACT THE INFORMATION AGENT AT ITS ADDRESS AND TELEPHONE NUMBERS SET FORTH ON THE BACK COVER OF THIS PROSPECTUS.

Withdrawal Rights

You can withdraw tendered shares at any time until the offer has expired and, if Western has not agreed to accept your shares for exchange by the expiration date, you can withdraw them at any time after that date until it accepts shares for exchange. If Western elects to extend the offer, is delayed in its acceptance for exchange of shares of ITEX common stock or is unable to accept shares of ITEX common stock for exchange pursuant to the offer for any reason, then, without prejudice to Western's rights under the offer, the exchange agent may, on behalf of Western, retain tendered shares of ITEX common stock, and such shares of ITEX common stock may not be withdrawn except to the extent that tendering stockholders are entitled to withdrawal rights as described in this section. Any such delay will be by an extension of the offer to the extent required by law. Please see the section of this prospectus entitled "The Offer — Extension, Termination and Amendment."

For a withdrawal to be effective, a written or facsimile transmission notice of withdrawal must be timely received by the exchange agent at one of its addresses set forth on the back cover page of this prospectus. Any such notice of withdrawal must specify the name of the person who tendered the shares of ITEX common stock to be withdrawn, the number of shares of ITEX common stock to be withdrawn and the name of the registered holder of such shares of ITEX common stock, if different from that of the person who tendered such shares of ITEX common stock. If certificates evidencing shares of ITEX common stock to be withdrawn have been delivered or otherwise identified to

the exchange agent, then, prior to the physical release of such certificates, the serial numbers shown on such certificates must be submitted to the exchange agent and, unless such shares of ITEX common stock have been tendered by or for the account of an eligible institution, the signature(s) on the notice of withdrawal must be guaranteed by an eligible institution. If shares of ITEX common stock have been tendered pursuant to the procedure for book-entry transfer as set forth in the section of this prospectus entitled "The Offer — Procedure for Tendering," any notice of withdrawal must specify the name and number of the account at DTC to be credited with the withdrawn shares of ITEX common stock.

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Withdrawals of shares of ITEX common stock may not be rescinded. Any shares of ITEX common stock properly withdrawn will thereafter be deemed not to have been validly tendered for purposes of the offer. However, withdrawn shares of ITEX common stock may be re-tendered at any time prior to the expiration date by following one of the procedures discussed under the sections entitled “The Offer—Procedure for Tendering” or “The Offer—Guaranteed Delivery.”

Western will decide all questions as to the form and validity (including time of receipt) of any notice of withdrawal in its sole discretion, and its decision shall be final and binding to the fullest extent permitted by law. None of Western, the exchange agent, the information agent or any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal or will incur any liability for failure to give any such notification.

Announcement of Results of the Offer

Western will announce by press release the final results of the offer, including whether all of the conditions to the offer have been fulfilled or waived and whether Western will accept the tendered shares of ITEX common stock for exchange, promptly after expiration of the offer, except as otherwise provided above under “Proration.”

Ownership of Western After the Offer

Based on the exchange ratio for the offer and assuming that:

- Western exchanges pursuant to the offer the maximum 2,700,000 shares of ITEX common stock; and
- 2,696,625 shares of Western common stock, which is the number of shares outstanding as of March 31, 2008, are outstanding, which number does not include 36,000 shares of common stock issuable upon exercise of outstanding options;

former ITEX stockholders would own, in the aggregate, approximately 6.2% of the outstanding shares of Western common stock.

Taxation

The following is a discussion of certain U.S. federal income tax consequences of the offer to holders of ITEX common stock whose stock is exchanged for Western common stock pursuant to the offer. The discussion is based on the Internal Revenue Code of 1986, as amended, referred to in this prospectus as the “Code,” applicable Treasury Regulations and administrative and judicial interpretations thereof, each as in effect as of the date of this offer, all of which may change, possibly with retroactive effect. The discussion applies only to stockholders who hold their ITEX common stock as capital assets and may not apply to stockholders subject to special rules under the Code, including, without limitation, persons who acquired their ITEX common stock upon the exercise of stock options or otherwise as compensation, financial institutions, brokers, dealers or traders in securities or commodities, insurance companies, partnerships or other entities treated as partnerships or flow-through entities for U.S. federal income tax purposes, tax-exempt organizations, persons who are subject to alternative minimum tax, persons who hold ITEX common stock as a position in a “straddle” or as part of a “hedging” or “conversion” transaction or other integrated investment, or persons that have a functional currency other than the United States dollar. This discussion does not address the U.S. federal tax consequences to any stockholder of ITEX who, for U.S. federal income tax purposes, is a non-resident alien individual, foreign corporation, foreign partnership or foreign estate or trust, and does not address any state, local or foreign tax consequences of the offer.

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BECAUSE INDIVIDUAL CIRCUMSTANCES MAY DIFFER, EACH STOCKHOLDER SHOULD CONSULT SUCH STOCKHOLDER'S TAX ADVISOR REGARDING THE APPLICABILITY OF THE RULES DISCUSSED BELOW TO SUCH STOCKHOLDER AND THE PARTICULAR TAX EFFECTS TO SUCH STOCKHOLDER OF THE OFFER, INCLUDING THE APPLICATION AND EFFECT OF STATE, LOCAL, AND FOREIGN TAX LAWS.

The receipt of Western common stock in exchange for ITEX common stock pursuant to the offer is expected to be a taxable transaction for U.S. federal income tax purposes. In general, a stockholder who exchanges ITEX common stock pursuant to the offer will recognize gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the fair market value on the date of acceptance for exchange pursuant to the offer of the Western common stock received and the holder's adjusted tax basis in the ITEX common stock exchanged pursuant to the offer. Gain or loss will be determined separately for each block of ITEX common stock (i.e., ITEX common stock acquired at the same cost in a single transaction) exchanged pursuant to the offer. Any such gain or loss generally will be long-term capital gain or loss if the stockholder has held the ITEX common stock for more than one year on the date of acceptance for exchange pursuant to the offer. Long-term capital gain of noncorporate stockholders is generally taxable at a maximum rate of 15%. Certain limitations apply to the use of capital losses.

A holder's tax basis in the Western common stock received pursuant to the offer will equal its fair market value on the date of acceptance for exchange pursuant to the offer. A holder's holding period in the Western common stock received will begin the day following the date of acceptance for exchange pursuant to the offer.

Purpose of the Offer; Dissenters' Rights

Purpose and Structure of the Offer

Western is seeking to acquire up to 2,700,000 shares of ITEX common stock in the offer for investment purposes. Following the consummation of the offer, Western intends to evaluate its investment in the ITEX common stock on a continual basis and may, from time to time, communicate with ITEX management, members of ITEX's board of directors and other stockholders of ITEX.

Following the consummation of the offer, Western may, from time to time, acquire additional shares of ITEX common stock, dispose of shares of ITEX common stock or formulate other purposes, plans or proposals regarding ITEX or the ITEX common stock, to the extent deemed advisable in light of its general investment policies, market conditions or other factors.

Dissenters' Rights

Dissenters' rights are the rights of stockholders, in certain cases, to receive "fair value" for their shares, plus accrued interest, as determined by a statutorily-prescribed process, which may include a judicial appraisal process. Dissenters' rights are not available in the offer. In addition, the amended offer will not give rise to dissenters' rights under the Nevada Control Share Statute, because Western will not acquire a "controlling interest" (as defined in the Nevada Control Share Statute) in ITEX as a result of the amended offer.

Plans for ITEX

Western is seeking to acquire up to 2,700,000 shares of ITEX common stock in the offer for investment purposes. Following the consummation of the offer, Western intends to evaluate its investment in the ITEX common stock on a continual basis and may, from time to time, communicate with ITEX management, members of ITEX's board of directors and other stockholders of ITEX.

Following the consummation of the offer, Western may, from time to time, acquire additional shares of ITEX common stock, dispose of shares of ITEX common stock or formulate other purposes, plans or proposals regarding ITEX or the ITEX common stock, to the extent deemed advisable in light of its general investment policies, market conditions or other factors.

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Except as indicated in this prospectus, neither Western nor any of Western's subsidiaries or affiliates has any current plans or proposals which relate to or would result in (1) any extraordinary transaction, such as a merger, reorganization or liquidation of ITEX or any of its subsidiaries, (2) any purchase, sale or transfer of a material amount of assets of ITEX or any of its subsidiaries, (3) any material change in the present dividend rate or policy, or indebtedness or capitalization of ITEX or any of its subsidiaries, (4) any change in the current board of directors or management of ITEX, (5) any other material change in ITEX's corporate structure or business, (6) any class of equity security of ITEX ceasing to be authorized to be quoted in an automated quotation system operated by a national securities association or (7) any class of equity securities of ITEX becoming eligible for termination of registration under the Exchange Act.

Effect of the Offer on the Market for Shares of ITEX Common Stock; Registration Under the Exchange Act; Margin Regulations

Effect of the Offer on the Market for the Shares of ITEX Common Stock

According to ITEX's Annual Report on Form 10-KSB for the fiscal year ended July 31, 2007, the shares of ITEX common stock are quoted on the OTC Bulletin Board and there were approximately 894 holders of record of ITEX common stock as of July 31, 2007. The exchange of shares of ITEX common stock by Western pursuant to the offer will reduce the number of holders of ITEX common stock and the number of shares of ITEX common stock held by individual holders and could adversely affect the liquidity and market value of the shares of ITEX common stock.

Registration Under the Exchange Act

Based upon ITEX's public filings with the SEC, Western believes that ITEX common stock is currently registered under the Exchange Act. Western does not expect the amended offer to result in the termination of the registration of the ITEX common stock under the Exchange Act.

Margin Regulations

ITEX common stock is not a "margin security" under the regulations of the Board of Governors of the Federal Reserve System, and is therefore not subject to the margin regulations of the Federal Reserve Board.

Conditions of the Offer

Notwithstanding any other provision of the offer, Western is not required to accept for exchange or, subject to any applicable rules and regulations of the SEC, including Rule 14e-1(c) under the Exchange Act (relating to Western's obligation to pay for or return tendered shares promptly after termination or expiration of the offer), exchange any shares of ITEX common stock, and may terminate or amend the offer, if, at the expiration date, any of the following conditions have not been satisfied or, to the extent legally permissible, waived:

- the "registration statement condition"—the registration statement of which this prospectus is a part shall have become effective under the Securities Act, no stop order suspending the effectiveness of the registration statement shall have been issued and no proceedings for that purpose shall have been initiated or threatened by the SEC and Western shall have received all necessary state securities law or "blue sky" authorizations; and
- the "listing condition"—Western's common stock shall have been approved for listing on the Nasdaq Capital Market or other national securities exchange reasonably acceptable to Western, and the shares of Western common stock to be issued pursuant to the offer shall have been authorized for listing on such national securities exchange, subject to official notice of issuance. Western's common stock was approved for listing on the Nasdaq Capital Market and

commenced trading on Nasdaq on February 25, 2008.

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As a result of the amended offer, Western has eliminated the following conditions to the offer, and the offer is no longer subject to the satisfaction of these conditions :

- the “minimum tender condition”—there shall have been validly tendered and not properly withdrawn prior to the expiration of the offer that number of shares of ITEX common stock representing, together with the shares owned by Western and its affiliates, at least 60% of the total voting power of all of the outstanding securities of ITEX entitled to vote generally in the election of directors or in a merger, calculated on a fully diluted basis immediately prior to the expiration of the offer;
- the “control share condition”—Western must be satisfied, in its reasonable discretion, that the provisions of the Nevada Control Share Statute do not and will not apply to the shares of ITEX common stock to be acquired pursuant to the offer or are invalid or the stockholders of ITEX must have approved full voting rights for all of the shares of ITEX common stock to be acquired by Western pursuant to the offer under the Nevada Control Share Statute;
- the “business combination condition”—Western must be satisfied, in its reasonable discretion, that, after consummation of the offer, Section 78.411, et seq. of the Nevada Revised Statutes will not prohibit or restrict for any period of time the merger or any other business combination involving ITEX and Western or an affiliate or associate of Western;
 - the “antitrust condition”—any waiting periods under applicable antitrust laws shall have expired or terminated;
- the “ITEX debt condition”—Western shall have received all consents, waivers and approvals required under the terms of ITEX’s indebtedness in order for Western to consummate the offer; and
- the “stockholder approval condition”—Western’s stockholders shall have approved, as and to the extent required by the rules of any national securities exchange on which the Western common stock is listed, the issuance of shares of Western common stock pursuant to the offer.

In addition, notwithstanding any other provision of the offer, Western is not required to accept for exchange or, subject to any applicable rules and regulations of the SEC, including Rule 14e-1(c) under the Exchange Act (relating to Western’s obligation to pay for or return tendered shares promptly after termination or expiration of the offer), exchange any shares of ITEX common stock, and may terminate or amend the offer, if, at any time on or after the date of this prospectus and before the expiration of the offer, any of the following conditions exist:

- (i) there is threatened, instituted or pending any action or proceeding by any government, governmental authority or agency or any other person, domestic, foreign or supranational, before any court or governmental authority or agency, domestic, foreign or supranational, (a) challenging or seeking to make illegal, to delay or otherwise, directly or indirectly, to restrain or prohibit the making of the offer, the acceptance for exchange of or exchange of some or all of the shares of ITEX common stock sought by Western or any of its subsidiaries or affiliates, (b) seeking to obtain material damages or otherwise directly or indirectly relating to the offer, (c) seeking to impose limitations on Western’s ability or that of any of its subsidiaries or affiliates effectively to exercise any rights as record or beneficial owner of the shares of ITEX common stock acquired or owned by Western or any of its subsidiaries or affiliates, including, without limitation, the right to vote any shares acquired or owned by Western or any of its subsidiaries or affiliates on all matters properly presented to ITEX’s stockholders, (d) seeking to require divestiture by Western or any of its subsidiaries or affiliates of any shares of ITEX common stock, or (e) that otherwise, in Western’s reasonable judgment, has or may have a material adverse effect on the business, assets, liabilities, financial condition, capitalization, operations or results of operations of ITEX or any of its subsidiaries or affiliates or results or may result in a material diminution in the value of the shares of ITEX common stock; or

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- (ii) any action is taken, or any statute, rule, regulation, injunction, order or decree is proposed, enacted, enforced, promulgated, issued or deemed applicable to the offer or the acceptance for exchange of or exchange of shares of ITEX common stock, by any court, government or governmental authority or agency, domestic, foreign or supranational, or of any applicable foreign statutes or regulations (as in effect as of the date of this prospectus) to the offer, that, in Western's reasonable judgment, might, directly or indirectly, result in any of the consequences referred to in clauses (a) through (e) of paragraph (i) above; or
- (iii) any change occurs or is threatened (or any development occurs or is threatened involving a prospective change) in the business, assets, liabilities, financial condition, capitalization, operations or results of operations of ITEX or any of its subsidiaries or affiliates that, in Western's reasonable judgment, is or may be materially adverse to ITEX or any of its subsidiaries or affiliates or results or may result in a material diminution in the value of the shares of ITEX common stock; or
- (iv) there occurs (a) any general suspension of trading in, or limitation on prices for, securities on any national securities exchange or in the over-the-counter market, (b) any decline in either the Dow Jones Industrial Average, the Standard and Poor's Index of 500 Industrial Companies or the NASDAQ-100 Index by an amount in excess of 15%, measured from the business day immediately preceding the date of the amended offer, or any change in the general political, market, economic or financial conditions in the United States or abroad that, in Western's reasonable judgment, could have a material adverse effect on the business, financial condition or results of operations of ITEX and its subsidiaries, taken as a whole, (c) the declaration of a banking moratorium or any suspension of payments in respect of banks in the United States, (d) any material adverse change (or development or threatened development involving a prospective material adverse change) in U.S. or any other currency exchange rates or a suspension of, or a limitation on, the markets therefor, (e) any material adverse change in the market price of the shares of ITEX common stock or in the U.S. securities or financial markets, (f) the commencement of a war, armed hostilities or other international or national calamity directly or indirectly involving the United States or any attack on, outbreak or act of terrorism involving the United States, (g) any limitation (whether or not mandatory) by any governmental authority or agency on, or any other event that, in Western's reasonable judgment, may adversely affect, the extension of credit by banks or other financial institutions or (h) in the case of any of the foregoing existing at the time of the date of the amended offer, a material acceleration or worsening thereof; or
- (v)(a) a tender or exchange offer for some or all of the shares of ITEX common stock has been publicly proposed to be made or has been made by another person (including ITEX or any of its subsidiaries or affiliates), or has been publicly disclosed, or any person or "group" (as defined in Section 13(d)(3) of the Exchange Act) has acquired or publicly proposes to acquire beneficial ownership of more than 5% of any class or series of capital stock of ITEX (including ITEX common stock), through the acquisition of stock, the formation of a group or otherwise, or is granted any option, right or warrant, conditional or otherwise, to acquire beneficial ownership of more than 5% of any class or series of capital stock of ITEX (including ITEX common stock) other than acquisitions for bona fide arbitrage purposes only and other than as disclosed in a Schedule 13D or 13G on file with the SEC on the date of this prospectus, (b) any such person or group which, prior to the date of this prospectus, had filed such a Schedule with the SEC has acquired or proposes to acquire beneficial ownership of additional shares of any class or series of capital stock of ITEX, through the acquisition of stock, the formation of a group or otherwise, constituting 1% or more of any such class or series, or is granted any option, right or warrant, conditional or otherwise, to acquire beneficial ownership of additional shares of any class or series of capital stock of ITEX constituting 1% or more of any such class or series, (c) any person or group has entered into a definitive agreement or an agreement in principle or made a proposal with respect to a tender or exchange offer or a merger, consolidation or other business combination with or involving ITEX or (d) any person has filed a Notification and Report Form under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or made a public announcement reflecting an intent to acquire ITEX or any assets or securities of ITEX; or

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- (vi) ITEX or any of its subsidiaries has (a) split, combined or otherwise changed, or authorized or proposed the split, combination or other change of, the shares of ITEX common stock or its capitalization, (b) acquired or otherwise caused a reduction in the number of, or authorized or proposed the acquisition or other reduction in the number of, outstanding shares of ITEX common stock or other securities, (c) issued or sold, or authorized or proposed the issuance or sale of, any additional shares of ITEX common stock, shares of any other class or series of capital stock, other voting securities or any securities convertible into, or options, rights or warrants, conditional or otherwise, to acquire, any of the foregoing (other than the issuance of shares of ITEX common stock or options to employees or directors in the ordinary course of business consistent with past practice), or any other securities or rights in respect of, in lieu of, or in substitution or exchange for any shares of its capital stock, (d) permitted the issuance or sale of any shares of any class of capital stock or other securities of any subsidiary of ITEX, (e) declared, paid or proposed to declare or pay any dividend or other distribution on any shares of capital stock of ITEX, (f) altered or proposed to alter any material term of any outstanding security, issued or sold, or authorized or proposed the issuance or sale of, any debt securities or otherwise incurred or authorized or proposed the incurrence of any debt other than in the ordinary course of business, (g) authorized, recommended, proposed, announced its intent to enter into or entered into an agreement with respect to or effected any merger, consolidation, liquidation, dissolution, business combination, acquisition of assets, disposition of assets or relinquishment of any material contract or other right of ITEX or any of its subsidiaries or any comparable event not in the ordinary course of business, (h) authorized, recommended, proposed, announced its intent to enter into or entered into any agreement or arrangement with any person or group that, in Western's reasonable judgment, has or may have a material adverse effect on the business, assets, liabilities, financial condition, capitalization, operations or results of operations of ITEX or any of its subsidiaries or affiliates or results or may result in a material diminution in the value of the shares of ITEX common stock, (i) entered into or amended any employment, severance or similar agreement, arrangement or plan with any of its employees other than in the ordinary course of business or entered into or amended any such agreements, arrangements or plans so as to provide for increased benefits to employees as a result of or in connection with the making of the offer or the acceptance for exchange of or exchange of some of or all the shares of ITEX common stock sought by Western, (j) except as may be required by law, taken any action to terminate or amend any employee benefit plan (as defined in Section 3(2) of the Employee Retirement Income Security Act of 1974) of ITEX or any of its subsidiaries, or (k) amended, or authorized or proposed any amendment to, its articles of incorporation or bylaws (or other similar constituent documents); or
- (vii)(a) any material contractual right of ITEX or any of its subsidiaries has been impaired or otherwise adversely affected or any material amount of indebtedness of ITEX or any of its subsidiaries has been accelerated or has otherwise become due or become subject to acceleration prior to its stated due date, in each case with or without notice or the lapse of time or both, as a result of or in connection with the offer or (b) any covenant, term or condition in any instrument or agreement of ITEX or any of its subsidiaries, in Western's reasonable judgment, has or may have a material adverse effect on the business, assets, liabilities, financial condition, capitalization, operations or results of operations of ITEX or any of its subsidiaries or affiliates or results or may result in a material diminution in the value of the shares of ITEX common stock (including, without limitation, any event of default that may ensue as a result of or in connection with the offer or the acceptance for exchange of or exchange of some or all of the shares of ITEX common stock sought by Western); or
- (viii) Western or any of its affiliates enters into a definitive agreement or announces an agreement in principle with ITEX providing for a merger or other similar business combination with ITEX or any of its subsidiaries or the purchase of securities or assets of ITEX or any of its s