

**ISSUER INFORMATION AND DISCLOSURE STATEMENT
PURSUANT TO RULE 15C2-11**

March 14, 20012

**PAPA BELLO® ENTERPRISES, INC.
(A Florida Corporation)**

300 West Orange Height Lane, Corona, CA 92883

TEL: 951-299-6595

FAX: 888-641-2626

Federal I.D. No. 27-3043452

CUSIP No. 6988IX106

ISSUER'S EQUITY SECURITIES

COMMON STOCK

\$0.0001	Par Value
200,000,000	Authorized
95,224,290	Outstanding

PREFERRED STOCK

\$0.0001	Par Value
5,000,000	Authorized
0	Outstanding

TRANSFER AGENT

Interwest Transfer Co., Inc.
1981 East 4800 South, Suite 100
Salt Lake City, Utah, 84117

ISSUER INFORMATION AND DISCLOSURE STATEMENT

December 31, 2011

ALL INFORMATION FURNISHED HEREIN BY THE COMPANY IN ACCORDANCE WITH RULE 15c2-11 PROMULGATED UNDER THE SECURITIES AND EXCHANGE ACT OF 1934, AS AMENDED, IS INTENDED SOLELY AS INFORMATION TO BE USED BY LICENSED, REGISTERED SECURITIES BROKER-DEALERS.

NO DEALER, SALESMAN/PERSON OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION, OR TO MAKE PRESENTATIONS, OR REPRESENTATIONS NOT CONTAINED HEREIN, IN CONNECTION WITH THE COMPANY. ANY REPRESENTATION NOT CONTAINED HEREIN MUST NOT BE RELIED UPON AS HAVING BEEN MADE, OR AUTHORIZED, BY THE COMPANY.

CERTAIN DOCUMENTS ARE INCORPORATED BY REFERENCE WHICH IS CLEARLY INDICATED WHEN AND WHERE SUCH REFERENCES ARE MADE WITHIN THIS DOCUMENT. THE REFERENCED DOCUMENTS ARE AVAILABLE EITHER AS ATTACHED EXHIBITS OR LOCATED AS REQUIRED PERIODIC FILINGS AND PREVIOUSLY SUBMITTED COMPLIANCE DOCUMENTS ON THE OTC WEB SITE.

1. Documents incorporated by reference.

The following documents or portions thereof are hereby incorporated by reference into this disclosure document.

- I. *"Attorney Letter with respect to Current Information,"* page 2; paragraph 9
- II. *"Annual Report Year-end December-31-2011;"* page 1, Titled; CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2011;
- III. *"Annual Report Year-end December-31-2011;"* page 2, Titled; CONSOLIDATED STATEMENT OF OPERATIONS FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011
- IV. *"Annual Report Year-end December-31-2010;"* page 1, Titled; CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2010;
- V. *"Annual Report Year-end December-31-2010;"* page 2, Titled; CONSOLIDATED STATEMENT OF OPERATIONS FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
- VI. *"Annual Report- Audited Financial Statements for the Years Ended December 31, 2008, 2007, and for the period July 13, 2006 to December 31, 2006,"* page 5
- VII. *"Initial Company Information and disclosure statement,"* page 24, Part F, Item XXV Articles of Incorporation and Bylaws.
- VIII. *Supplemental Information Certification of Articles of Amendment and Restatement,"* page 1, titled "Attachment E PAPA BELLO® Enterprises, Inc. Articles of Amendment and Restatement,"
- IX. *Supplemental Information – Amended and Restated Bylaws,* page 1, titled "Attachment F PAPA BELLO® Enterprises, Inc. Amended and Restated Bylaws."

2. Location of documents incorporated by reference.

Specifically: Documents incorporated by reference to uploaded and submitted filings and compliance documents are found at the following web site and URL:

Where: <http://www.otcmarkets.com> locates the primary website repository document level,

While: <http://www.otcmarkets.com/stock/PAPA>, is the Issuer's stock symbol specific page and data/report listings page.

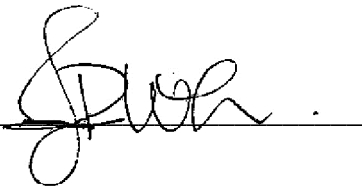
And: <http://www.otcmarkets.com/stock/PAPA/financials> represents the specific location of required filings and referenced documents, for example:

Annual Report - Year End December 31, 2011:

<http://www.otcmarkets.com/financialReportViewer?symbol=PAPA&id=71429>

The undersigned hereby certifies that the requested additional, amended and clarifying augmentation of information to the original filing of Dec 31, 2011 contained herein is true and correct to the best of their knowledge and belief.

Dated on this day, March 29, 2012; on behalf of, and acting within, the full capacity of a duly authorized officer of PAPA BELLO[®] ENTERPRISES, INC.

By:  _____

Jim Wheeler

Chief Executive Officer

PAPA BELLO[®] Enterprises, Inc.

TABLE OF CONTENTS

ISSUER INFORMATION AND DISCLOSURE STATEMENT	2
Documents incorporated by reference.....	2
Location of documents incorporated by reference.	3
Part A General Company Information	5
Item I. Exact Name of Issuer and Predecessor:	5
Item II. Address of Issuer's Principal Executive Offices:	5
Item III. State and Date of Incorporation:.....	6
Part B Share Structure.....	6
Item IV The exact title and class of securities outstanding (to be quoted)	6
Item V Par, or stated, value and description of Issuer's securities.....	6
Item VI The number of shares or total amount of the securities outstanding for each class of securities authorized, as of the end of the most recent fiscal quarter the end of the Issuer's last two fiscal years	9
Part C Business Information	10
Item VII The name and address of the issuer's transfer agent.	10
Item VIII The nature of the issuer's business.	11
Item IX The nature of products or services offered.....	14
Item X The nature and extent of the issuer's facilities.....	27
Part D Management Structure and Financial Information	28
Item XI The name of the chief executive officer, members of the board of directors, as well as control persons.	28
Item XII Financial information for the issuer's most recent fiscal period.....	30
Item XIII Similar financial information for such part of the two preceding fiscal years as the issuer or its predecessor has been in existence.	47
Item XIV Beneficial Owners.	48
Item XV The name, address, telephone number and email address of each of the following outside providers that advise the issuer on matters relating to the operations, business development and disclosure:	48
Item XVI Management's Discussion and Analysis or Plan of Operations	49
Part E Issuance History	53
Item XVII List of securities offerings and shares issued for services in the past two years.	53
Item XIX Articles of Incorporation and Bylaws.....	54
Item XX Purchases of Equity Securities by the Issuer and Affiliated Purchasers.....	55
Item XXI Issuer's Certifications.....	56

DISCLOSURE STATEMENT PURSUANT TO RULE 15c2-11
OF THE SECURITIES AND EXCHANGE ACT OF 1934

Current Information Regarding

PAPA BELLO[®] ENTERPRISES, INC.

The following information is provided to assist securities brokerage firms with “due diligence” compliance. This information is set forth below as to PAPA BELLO[®] Enterprises, Inc. (hereafter referred to as “We”, “the Company” or “the Issuer”). We were incorporated on January, 17, 2008, in the State of Nevada. This information is provided for the purpose of providing information to licensed, registered broker-dealers trading in the securities of the Issuer in compliance with Rule 15c2-11(a)(5) of the Securities Exchange Act of 1934, as amended.

The information provided follows the same numbering system found in the rule to wit:

Part A General Company Information

Item I. Exact Name of Issuer and Predecessor:

The name of the issuer is PAPA BELLO[®] Enterprises, Inc. (the "Issuer"), formerly known as Synegrate Corp.

The Issuer owns all of the issued and outstanding shares of common stock of PAPA BELLO[®] Enterprises, Inc., a Nevada corporation (the “Subsidiary”).

Prior to converting to a corporation on January 17, 2008, the Issuer operated as a Nevada limited liability company known as "PAPA BELLO[®] Enterprises, LLC."

Exact name of Issuer: PAPA BELLO[®] ENTERPRISES, INC (Jan. 2008)

Predecessor Names:

- (i) The Issuer was originally incorporated in the State of Florida on April 9, 1999
- (ii) The Issuer was originally named Big Bagel Inc.
- (iii) On June 9, 2005, The Issuer changed its name to Fox River Graphics, Inc.
- (iv) On June 30, 2005, the Issuer changed its name to Synegrate Corp.
- (v) On June 9, 2008, the Issuer changed its name to PAPA BELLO[®] Enterprises, Inc.

The Issuer owns all of the issued and outstanding shares of common stock of PAPA BELLO[®] Enterprises, Inc., a Nevada corporation (the “Subsidiary”). Prior to converting to a corporation on January 17, 2008, the Subsidiary operated as a Nevada limited liability company known as "PAPA BELLO[®] Enterprises, LLC."

Item II. Address of Issuer’s Principal Executive Offices:

The Issuer's principal executive offices are located at:

300 West Orange Height Lane,
Corona CA 92883.
TEL: 951-299-6595
FAX: 888-641-2626

Item III. State and Date of Incorporation:

The Issuer is organized under the laws of the State of Florida.

The Issuer's date of Incorporation was April 9, 1999.

Part B Share Structure

Item IV The exact title and class of securities outstanding (to be quoted)

A. Exact Title: Common Stock

Exact Class: Common Equity

B. The issuer has one class of equity securities to be quoted, namely, 200,000,000 authorized shares of Common Stock.

The Issuer's current securities symbol is "PAPA".

The Issuer's CUSIP number is: 6988IX106

Item V Par, or stated, value and description of Issuer's securities.

A. Par or Stated Value of each class of outstanding securities.

The Issuer's only class of stock outstanding is the Common Share class.

The Issuer's common stock is par value \$0.0001.

B. Common or Preferred Stock

1. Common Equity dividend, voting and preemption rights.

a. Common Equity Dividend:

Common Equity share holders may be awarded dividends, and in such amounts as determined, from time to time, by and at the discretion of the Board of Directors.

b. Common Equity Voting rights.

Common Equity shareholders are entitled to one vote per Common Equity share of record.

Common Equity Shareholders do not possess cumulative voting rights.

The current articles of Incorporation and bylaws governing Common Equity shares do not provide for preemption, conversion, or subscription rights. As such, Common Equity shareholders do not have any redemption, conversion, or subscription rights.

2. Preferred Equity dividend, voting, conversion and liquidation rights, and redemption, or sinking fund provisions.

a. Preferred Equity Dividend:

As of the date of this submission, no Preferred Equity of the Issuer has been issued, or is outstanding.

Preferred Equity dividend rights, or entitlements, if any, are to be enacted by the Board of Directors, at the discretion of the Board of Directors, at a time

such issuance of Preferred Equity may take place.

As of the date hereof, no Preferred Equity dividend is authorized.

b. Preferred Equity voting, conversion and liquidation rights.

As of the date of hereof, no Preferred Equity of the Issuer has been issued, or is outstanding.

As of the date hereof, Preferred Equity Shares are not endowed with voting, liquidation, or conversion rights.

Preferred Equity voting, conversion and liquidation rights, if any, are to be enacted by the Board of Directors, at the discretion of the Board of Directors, at a time such issuance of Preferred Equity may take place.

c. Preferred Equity redemption, or sinking fund provisions.

As of the date of hereof, no Preferred Equity of the Issuer has been issued, or is outstanding.

As of the date hereof, there are no redemption or sinking fund provisions applicable to the Issuer's authorized Preferred Equity.

Preferred Equity redemption rights, or sinking fund provisions, if any, are to be enacted by the Board of Directors, at the discretion of the Board of Directors, at a time such issuance of Preferred Equity may take place.

3. Delineation of any other material rights of Common or Preferred Equity shareholders.

Except as stated, or otherwise noted, in the entirety of the section of this document identified as "Item V," as of the time hereto, neither the Common nor the Preferred Equity shareholders have any other material rights.

Other material rights of Common or Preferred equities shareholders, if any, are to be enacted by the Board of Directors, at the discretion of the Board of Directors, as may take place from time to time.

4. Provisions in the Issuer's charter or by-laws that would delay defer or prevent a change in control of the Issuer.

The Issuer's Amended and Restated Articles of Incorporation provide for a staggered Board of Directors. The term of office of James R. Wheeler the only director of the Issuer at present, expires in 2013. The Issuer's Amended and Restated Articles of Incorporation also provide for a substantial number of shares of Common Stock and "blank check" Preferred Stock authorized for issuance solely by action of the Board of Directors. The Amended and Restated Articles of Incorporation of the Issuer provide that directors may be elected only at a duly called and held meeting of the shareholders, and not by written consent.

The Issuer's Amended and Restated Bylaws contain advance notice requirements for shareholder nominations to the Board of Directors and shareholder proposals.

The notice provisions relating to director nominations require a shareholder proposing to nominate one or more persons for election as directors at a

shareholder's meeting (whether an annual or special meeting) provide the Issuer with advance written notice of at least 120 days prior to the scheduled shareholders meeting. The written notice must contain certain information regarding the shareholder, including the shareholder's name and address, the name of any person to be nominated by the shareholder as a director, any arrangements between the shareholder and each such nominee and any other information regarding such nominees that would be required in a proxy statement filed under the proxy rules of the Securities and Exchange Commission.

The notice provisions relating to shareholder proposals require a shareholder proposing shareholder action at a shareholder's meeting (whether an annual or special meeting) provide the Issuer with advance written notice of at least 120 days prior to the scheduled shareholders meeting. The written notice must contain certain information regarding the shareholder, including the shareholder's name and address and any other information regarding each matter of business proposed by the shareholder that would be required in a proxy statement filed under the proxy rules of the Securities and Exchange Commission.

The Issuer is subject to several anti-takeover provisions under Florida law that apply to public corporations organized under Florida law, unless the corporation has elected to opt out of those provisions in its articles of incorporation or bylaws. The Issuer has not elected to opt out of those provisions. The Florida Business Corporation Act (the "FBCA") prohibits the voting of shares in a publicly-held Florida corporation that are acquired in a "control share acquisition" unless the holders of a majority of the corporation's voting shares (exclusive of shares held by officers of the corporation, inside directors, or the acquiring party) approve the granting of voting rights as to the shares acquired in the control share acquisition. A "control share acquisition" is defined in the FBCA as an acquisition that immediately thereafter entitles the acquiring party to vote in the election of directors within each of the following ranges of voting power: one-fifth or more but less than one-third of such voting power, one-third or more but less than a majority of such voting power, and more than a majority of such voting power.

However, an acquisition of a publicly-held Florida corporation's shares is not deemed to be a control-share acquisition if it is either

- A. approved by such corporation's board of directors, or
- B. Made pursuant to a merger agreement to which such Florida Corporation is a party.

The FBCA also contains an "affiliated transaction" provision that prohibits a publicly-held Florida corporation from engaging in a broad range of business combinations or other extraordinary corporate transactions with any person who, together with affiliates and associates, beneficially owns more than 10% of the corporation's outstanding voting shares, otherwise referred to as an "interested stockholder," unless:

1. ...the transaction is approved by a majority of disinterested directors before the person becomes an interested stockholder,

2. ...the interested stockholder has owned at least 80% of the corporation's outstanding voting shares for at least five years, or
3. ...the transaction was approved by the holders of two-thirds of the corporation's voting shares other than those owned by the interested stockholder.

The foregoing provisions, utilized either alone or in combination, may have the effect of delaying, deferring, discouraging or preventing a takeover of the Issuer by others or otherwise delaying or limiting the shareholders' ability to change the direction and management of the Issuer.

ITEM VI The number of shares or total amount of the securities outstanding for each class of securities authorized, as of the end of the Issuer's most recent fiscal quarter and as of the end of the Issuer's last two fiscal years

A. Most recent Fiscal Quarter Common and Preferred Stock.

1. Preferred Stock for fiscal Quarter ending 12-31-2011

As of the date hereof 5,000,000 shares of Preferred Stock at a par value of \$0.0001 per share, are authorized by the Issuer.

During the preceding fiscal quarter and up to and including the date hereof, no shares of Preferred Stock were issued by the Company. The Issuer has no outstanding preferred equity shares as of the end of the most recent completed fiscal quarter.

- (i) Fiscal Quarter Period End Date:12- 31- 2011
- (ii) Number of shares authorized: 5,000,000
- (iii) Number of shares outstanding:0
- (iv) Freely tradable float:0
- (v) Total number of beneficial shareholders:0
- (vi) Total number of shareholders of record:0

2. Common Stock for fiscal Quarter ending 12-31-2011

As of the date hereof 200,000,000 shares of Common Stock at a par value of \$0.0001 per share, are authorized by the Issuer.

During the preceding fiscal quarter and up to and including the period end date of 12-31-2011, 95,224,290 shares of Common Stock were outstanding, with a freely tradable float of 6,603,054 Common Equity shares.

- (i) Fiscal Quarter Period End Date:12- 31- 2011
- (ii) Number of shares authorized: 200,000,000
- (iii) Number of shares outstanding: 95,224,290
- (iv) Freely tradable float: 6,603,054

- (v) Total number of beneficial shareholders:1
- (vi) Total number of shareholders of record: 810

B. Most recent two Fiscal Years.

3. Preferred Stock for the two most recent fiscal years ending 12-31-2011

As of the date hereof and including the period of the two prior fiscal years ending 12-13-2011, the issuer has authorized 5,000,000 shares of Preferred Stock at a par value of \$0.0001 per share.

During the preceding two fiscal years and up to and including the date hereof, no shares of Preferred Stock were issued by the Company. The Issuer has no outstanding preferred equity shares as of the end of the most recent completed two fiscal years, ending 12-31-2011.

- (i) Most recent two fiscal year period end date:12- 31- 2011
- (ii) Number of shares authorized: 5,000,000
- (iii) Number of shares outstanding:0
- (iv) Freely tradable float:0
- (v) Total number of beneficial shareholders:0
- (vi) Total number of shareholders of record:0

4. Common Stock for fiscal Quarter ending 12-31-2011

As of the date hereof and including the period of the two prior fiscal years ending 12-13-2011, the issuer has authorized 200,000,000 shares of Common Stock at a par value of \$0.0001 per share.

During the prior two fiscal years and up to and including the period end date of 12-31-2011, the Company has issued and has outstanding 95,224,290 shares of Common Stock, with a freely tradable float of 6,603,054 Common Equity shares.

- (i) Most recent two fiscal year period end date:12- 31- 2011
- (ii) Number of shares authorized: 200,000,000
- (iii) Number of shares outstanding: 95,224,290
- (iv) Freely tradable float: 6,603,054
- (v) Total number of beneficial shareholders:1
- (vi) Total number of shareholders of record: 810

Part C Business Information

ITEM VII The name and address of the issuer's transfer agent.

The Issuer's transfer agent is:
Interwest Transfer Co., Inc.,

1981 East 4800 South, Suite 100,
Salt Lake City, Utah 84117.

The telephone number of Interwest Transfer Co., Inc. is:
(801) 272-9294.

Fax Number: (801) 277-3147

Interwest Transfer Co., Inc. is registered under the Securities Exchange Act of 1934.

Item VIII

The nature of the issuer's business.

During the period ending on June 26, 2008, the Issuer, through its wholly-owned subsidiary corporation, Fox River Graphics, Inc. had been engaged in the business of providing office furnishings, audiovisual equipment and facility management services to corporations, governmental agencies and educational institutions. In June 2008, the Issuer changed its name from Synegrate Corp. to PAPA BELLO[®] Enterprises, Inc. and effectuated a one for three hundred reverse stock-split. On June 26, 2008, pursuant to an Agreement for the Exchange of Stock, among other things:

- a. The Issuer acquired all of the outstanding shares of common stock of Papa Bello Enterprises, Inc., a Nevada corporation (the "Subsidiary"), and the Subsidiary became a wholly-owned subsidiary of the Issuer;
- b. The Issuer issued 24,000,000 shares of its Common Stock to the shareholders of the Subsidiary;
- c. The Issuer sold and transferred all of the issued and outstanding shares of common stock of its then wholly-owned subsidiary, Fox River Graphics, Inc., to Joseph Dowdell, Sr. and Joseph Dowdell, Jr.; and
- d. The Issuer purchased and redeemed an aggregate of 166,401 shares of its Common Stock, owned by Joseph Dowdell, Sr. and Joseph Dowdell, Jr.

A. Business Development

On June 9, 2008, the Issuer changed its name to PAPA BELLO[®] Enterprises, Inc. The business development over the next 12 months will focus primarily on the company's franchise opportunities:

1. The form of organization of the Issuer.

The issuer is a Florida corporation.

2. The year that the Issuer (or any predecessor) was organized.

The year of formation of the Issuer is 1999

Predecessor year of formation:

PAPA BELLO[®] Enterprises, LLC (1999)

SYNEGRATE CORP, (2005)

3. The Issuer's fiscal Year end date.

The Issuer's fiscal year ends on December 31.

4. Whether the Issuer (or any predecessor) has been in bankruptcy receivership or any similar proceeding.

The Issuer has not been subject to bankruptcy, receivership or any similar proceeding during the past three years.

5. Whether the Issuer has made any material reclassification merger, consolidation or purchase or sale of a significant amount of assets.

Except as described in this Item VIII above, the Issuer has not made any material classification, merger, consolidation or purchase or sale of a significant amount of assets during the past three years.

6. Any default in the terms of any note, loan, lease or other indebtedness or financing arrangement requiring the Issuer to make payments.

To the best of the knowledge of the present management, the Issuer has not defaulted in the terms of any note, loan, lease or other indebtedness or financing arrangement requiring the Issuer to make payments during the past three years.

7. Any change of control of the Issuer.

Except as described in this Item VIII above, there has not been any change in control of the Issuer during the past three years.

8. Any increase of 10% or more of the same class of outstanding equity securities.

Except as described in this Item VIII above, there has not been any increase of 10% or more of the outstanding common stock of the Issuer during the past three years.

9. Any past, pending, or anticipated stock split, stock dividend, reorganization, recapitalization merger, or acquisition spin-off.

Except as described in this Item VIII above, there has not been any stock split, stock dividend, recapitalization, merger, acquisition, spin-off or reorganization involving the Issuer during the past three years.

10. Any delisting of the Issuer's securities by any securities exchange or deletion from the OTC Bulletin Board.

There has not been any delisting of the Issuer's securities by any securities exchange or deletion from the OTC Bulletin Board during the past three years.

11. Any current, past, pending or threatened legal proceedings or administrative actions either by or against the issuer that could have a material effect on the issuer's business, financial condition, or operations and any current, past or pending trading suspensions by a securities regulator.

The Issuer is not party to any current, past, pending or threatened legal proceedings or administrative actions either by or against the issuer that could have a material effect on the issuer's business, financial condition, or operations.

Nor is the Issuer party to any current, past or pending trading suspensions by a securities regulator.

B. Business of Issuer

1. The Issuer's primary and secondary SIC Codes.

Primary Code: 5812

Secondary Code: None

1. Whether the Issuer has never conducted operations, is in the development stage or is currently conducting operations.

The Issuer, through its Subsidiary, currently operates and franchises quick-casual restaurants with limited service offering pizza, pasta, subs, beverages and other menu items on a dine-in and take-out basis known as "PAPA BELLO[®] restaurants." At present, all PAPA BELLO[®] restaurants are located in Wal-Mart[®] Supercenter stores.

There are a total of sixteen PAPA BELLO[®] restaurants in operation at the present time. Seven PAPA BELLO[®] restaurants are operated by the Subsidiary and nine PAPA BELLO[®] restaurants are operated by franchisees of the Subsidiary.

2. Whether the Issuer is or has at any time been a "shell company."

The Issuer is not a "shell company" as that term is defined in Rule 405 promulgated by the Securities and Exchange Commission.

3. State the names of a parent, subsidiary, or affiliate of the Issuer and its business purpose, its method of operation its ownership and whether it is included in the financial statements attached to this Disclosure Statement.

At present, the Issuer has one wholly-owned subsidiary, the Subsidiary. A description of the business purpose and method of operation of the Subsidiary is set forth in this section under Item VIII, section B 2 above.

4. The effect of existing or probable governmental regulations on the business.

Each of our PAPA BELLO[®] restaurants are subject to regulation by various state and local health, sanitation, safety, fire and other governmental agencies in the jurisdiction in which they are located, We are also subject to various federal, state and local environmental regulations. Difficulties in obtaining and retaining the required licensing or approval with respect to such regulations could result in delays in our construction and opening of additional PAPA BELLO[®] restaurants, particularly those we plan to open as non-traditional locations.

We are subject to the Fair Labor Standards Act and various state laws governing such matters as minimum wages, overtime and other working conditions. We are subject to the Americans with Disabilities Act, which prohibits discrimination in employment and public accommodations on the basis of disability, and the Occupational Safety and Health Act, which requires that restaurants and other operations maintain safe and healthful working conditions. We are subject to the Clean Air Act and various state and local laws requiring that we meet certain air

quality standards limiting emissions of ozone, carbon monoxide and particulate matters, including caps on emissions from commercial food preparation.

We are subject to the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "Patriot Act"). In order to ensure compliance with the Patriot Act, we ask each of our franchisees to confirm for us that they, and their directors, officers, shareholders, partners, members, employees, or agents, are not suspected terrorists, persons associated with suspected terrorists, or under investigation by the U.S. government for criminal activity.

We are subject to Federal Trade Commission regulations and various state laws regulating the offer and sale of franchises. The Federal Trade Commission requires that we furnish prospective franchisees with a franchise disclosure document containing certain prescribed information. Substantive state laws that regulate the franchiser-franchisee relationship presently exist in a substantial number of states, and bills have been introduced into Congress from time to time, which, if enacted, would provide for federal regulation of the franchiser-franchisee relationship in certain respects. State laws often limit, among other things the duration and scope of non-competition provisions and the ability of a franchiser to terminate or refuse to renew a franchise. Further federal, state and local government initiatives, such as mandatory health insurance coverage, "living wages" or other proposed increases in minimum wage rates, could adversely affect us if enacted into law.

5. An estimate of the amount spent during each of the last two fiscal years on research and development activities and, if applicable, the extent to which the cost of such activities are borne directly by customers.

During the past two fiscal years, no funds were expended by the Issuer or the Subsidiary on research and development activities.

6. Costs and effects of compliance with environmental laws (federal state and local).

The costs and effects of our compliance with applicable environmental laws are not material to our business or operations.

7. The number of total employees and the number of full-time employees.

At present, we have 39 employees, 9 of which are full-time and 30 of which are part-time.

Item IX The nature of products or services offered

A. Principal products or services and their markets

1. Principal products or services.

The Issuer, through the Subsidiary, operates and franchises quick-casual restaurants with limited service offering pizza, pasta, subs, beverages and other menu items on a dine-in and take-out basis known as "PAPA BELLO[®] restaurants."

PAPA BELLO[®] Pizza restaurants are located in stores, shopping centers, in-line locations and free-standing locations.

These restaurants are operated under a Franchise model. We offer qualified applicants the opportunity to own and operate restaurants under the PAPA BELLO® Pizza system. Qualified applicants will also enter into a development agreement to develop two or more restaurants within a specifically described geographic area. The developer must develop the number of restaurants contemplated by the development agreement in the territory according to a development schedule and must enter into a separate franchise agreement for each restaurant established. If the franchisee meets the net worth agreed by the franchisor, operational experience and other requirements, the franchisee can enter into an area representative agreement, for the development and servicing of multiple PAPA BELLO® Pizza restaurants located within a designated area. This program differs from the development program in that an area representative agrees to develop a certain number of restaurants within the development area, and then is responsible for overseeing the daily activities of franchisees operating within the development area.

The PAPA BELLO® menu offers customers a choice of between five 6 or 12-inch sub sandwiches (meatball, turkey, roast beef, ham and cheese or veggie), seven 16-inch specialty pizza pies (cheese, pepperoni, double bacon cheeseburger, the Hawaiian, the veggie, the meat or the supreme), or the opportunity to build their own 16-inch pizza pie with a choice of up to five toppings (from among extra cheese, red onions, green peppers, fresh mushrooms, pineapple, pepperoni, Italian sausage, beef, ham, black olives and bacon), as well as six side items (including extra individual slices, meatballs, garden salad, breadsticks, cinnamon sticks and cookies). Customers can also choose from among our many combo meals featuring items such as personal pan cheese or pepperoni pizza, our paparoni rollup, spaghetti and meatballs, all you can eat pasta, a sub and chips, or our "Family Feast" (including two 16-inch pizza pies with up to two toppings, ten cheesy breadsticks and ten frosted cinnamon sticks). We believe our menu offers customers quality items at reasonable prices, with an average individual ticket of between \$5.00 and \$7.00, and an average family of four between \$15.00 and \$20.00. Menu prices are set at the individual franchise level and vary from location to location, with our 6 and 12-inch subs ranging from \$3.99 to \$5.99, 16-inch pizzas from \$5.99 to \$15.99, combo meals from \$3.99 to 6.99 and sides from \$0.50 to \$2.99.

2. Markets.

The historical market focus and geographic concentration was across the central and eastern portion of the continental US. Our future strategy is national in nature and will encompass all markets in and around any major metropolitan area, or section thereof which provide the requisite demographic and customer density profile to enable our Franchise growth model. Certain high density rural areas capable of providing a sufficient customer base and demographic profile to support the issuer's restaurant franchise model are also in scope under the long term planning initiative(s) to successfully enable the company's future growth strategies. The leveraging of the company's operational data allows us to identify both existing and emerging market area business opportunities, while continuous economic and market research data is analyzed to identify declining market areas, to ensure a viable, vibrant customer base for the successful growth of our franchise operations model.

Currently our primary markets exists within the sphere of high density Malls, Outlet

Centers, Strip Malls, any of the areas in and around branded and high volume tourist locations, high density University or campus populations, vicinities immediately adjacent to any major Military installation(s), as well as any of the Super Center stores (i.e. Wal-Mart®).

There are a total of fifteen PAPA BELLO® restaurants in operation at the present time. At present, all PAPA BELLO® restaurants are located in Wal-Mart® Supercenter stores.

Seven PAPA BELLO® restaurants are operated by the Subsidiary and nine PAPA BELLO® restaurants are operated by franchisees of the Subsidiary.

Our current markets reflect the general market conditions for a successful operation, in that they are located in in high traffic, high volume venues, with ready access to customers, such as Wal-Mart® stores and strip malls. Future markets will likely include Shopping malls, high traffic town/city areas, colleges/Universities and high density urban/suburban developments, as well as high profile tourist areas throughout the nation.

We seek to attract qualified franchisees with considerable business, restaurant or retail experience as well as the requisite financial resources necessary to successfully operate a PAPA BELLO® restaurant. Our franchisees are fundamental to our development and growth strategy and we carefully evaluate each prospective PAPA BELLO® applicant. If an applicant is selected, depending on the basis of their particular qualifications, we will enter into either:

- a. A franchise agreement, for the operation of a single PAPA BELLO® restaurant (a "Franchise Agreement"),
- b. A development agreement, for the operation of two or more PAPA BELLO® restaurants within a given geographic area (a "Development Agreement"), or
- c. An area representative agreement, for the development and servicing of two or more PAPA BELLO® restaurants within a given geographic area (a "Representative Agreement").

B. Distribution methods of the products or services

We distribute our products through our PAPA BELLO® restaurants, as well as franchises of the subsidiary.

At present, the Subsidiary owns and operates PAPA BELLO® restaurants located in Wal-Mart® stores at the following addresses:

3101 West Kimberly Road, Davenport, Iowa 52807
1920 South Stephenson Avenue, Iron Mountain, Michigan 49801
1303 Charles Street, Park Rapids, Minnesota 56470
650 West Votaw Street, Portland, Indiana 47371
1601 Cornhusker Drive, South Sioux City, Nebraska 68776
1550 North Cass Street, Wabash, Indiana 46992
601 Lerner Street, Dodgeville, Wisconsin 53533

In addition to the above restaurant operations, the following PAPA BELLO®

restaurants are operated by franchisees of the Subsidiary in Wal-Mart® stores at the following addresses:

4495 Keith Street, Cleveland, Tennessee 37312
12862 State Road 21, DeSoto, Missouri 63020
3712 West Main, Durant, Oklahoma 74701
3650 Star Dust Drive, Hannibal, Missouri 63401
2801 West State Route 18, Tiffin, Ohio 44883
1971 Wentzville Parkway, Wentzville, Missouri 63385
2010 Paxville Highway, Manning, South Carolina 29102
1717 South College Street, Auburn, Alabama 36832

C. Status of any publicly announced new product or service.

We have not announced any new product or service.

D. Competitive business conditions, the Issuer's competitive position in the industry and methods of competition.

1. Competitive business condition.

Based on our research, we believe that the United States restaurant industry produced in excess of \$500 billion in annual sales in 2007; the fast-casual segment being the quickest growing segment in the industry, with projected sales in excess of \$40 billion. Within the pizza segment of the restaurant industry alone, based on our research, the top 25 chains only accounted for half of the U.S. market. We believe, on the basis of our diversified menu, relationship with Wal-Mart® and multi-approach growth strategy, that this provides ample opportunity for the growth and development of the PAPA BELLO® brand within fast-casual segment of the restaurant industry.

The fast-casual segment of the restaurant industry is highly competitive, and is also subject to competition from other segments of the restaurant industry, including quick-serve and casual dining restaurants. The number, relative size and strength of our competitors varies by region; however, all compete on the basis several factors, including, but not limited, taste, price, variety of menu items, quickness and quality of service, value, name brand recognition, location and overall customer experience. Competition within the fast-casual segment of the restaurant industry is particularly focused on taste, quality, freshness and variety of menu items, and the location and condition of restaurants.

The fast-casual segment of the restaurant industry is often affected by changes in consumer tastes, national, regional or local economic conditions, including fluctuations in disposable income, demographic trends, traffic patterns and the number and location of competing food retailers and products. Each of our PAPA BELLO® restaurants compete with international, national and regional restaurant chains as well as local, independently owned restaurants, for customers, management, personnel and franchisees. Within the fast-casual segment of the restaurant industry we believe our primary competitors to be large national chains, including Pizza Hut, Domino's Pizza, Papa John's, Little Caesars, Subway, Quiznos and Blimpie, as well as several regional chains and take-n-bake concepts. Many of

our competitors are well established, with longer operating histories, larger customer bases, and stronger brand awareness and sustainably greater financial, marketing, service, and support, technical and other resources. Any changes in pricing or other marketing strategies of one or more of our competitors as well as a continued increased emphasis on drive-through, carryout and curbside pickup availability by quick-serve, casual dining and other restaurants, as well as improved quality of fresh and frozen supermarket offerings, could have an adverse effect on our business and growth strategy.

We also compete with several well established restaurants and retailers, including, but not limited, to McDonald's and Subway, for available sites within the front entrances of Wal-Mart® Supercenter stores, which sites are awarded on the basis of Wal-Mart's® internal criteria and in its exclusive discretion. In the past we have applied for sites which were awarded to other restaurant or retailer, and if we are unable to secure a sufficient number of additional sites in the future, we may be unable to execute our growth strategy.

Our model of operating within existing high customer venues, such as Super Center stores and malls, precludes lengthy and costly real estate acquisitions and confines our construction timelines and costs to those of TI's (tenant improvements) providing greatly accelerated timeframes for commencing new operations, at substantially lower costs than would be possible with dedicated site built restaurants.

These strategic cost containment strategies provide a competitive advantage to our operations as we are able to rapidly respond to newly identified venues by focusing on those opportunities that provide the ability to establish our operations within existing structures, rather than needing to acquire new real estate in a questionable real estate market.

Through strategic alliances such as our Wal-Mart® alliance we are also able to leverage the brand value and customer recognition of our partners via our location within the boundaries already familiar to the customer. This provides the dual benefit of cost containment for brand establishment and maintenance, while providing significant leverage to our advertising and marketing activities.

2. The Issuer's competitive position in the industry.

We believe that opening PAPA BELLO® restaurants inside of Wal-Mart® Supercenter stores places us in a particularly advantageous position by allowing us to establish and market our brand organically, without undertaking significant advertising or marketing campaigns, and therefore decreasing the normal marketing expenses and normal advertising costs that we incur in comparison to some of our competitors. As part of our training program we try to educate our franchisees on how to maximize this benefit of exposure and to gain a loyal customer base.

In addition to the coaching we offer through our training program, we also provide our franchisees with a complete marketing package, offering them ideas to assist in building sales and increase revenues and profits.

We maintain a website, www.papabellopizza.com, and undertake various print media and radio advertisement marketing campaigns, as well as offer our franchisees two 30-second commercials which are compatible with any local television or cable provider.

We also provide new menu item updates, promotions and ideas to our franchisees on a regular basis via email, mail and our website. We do this in order to accommodate market trends, styles, changes and maintain an overall "freshness" of our brand, believing the consumer is less likely to become bored of our products and therefore we will generate continued business and sales.

With respect to the sale of franchises, we compete with several well established franchisors of fast-casual, quick-serve and casual dining restaurants as well as other business concepts, for potential franchisees. Moreover, we also actively compete for management and personnel.

The franchise restaurant market is an active and competitive market in which our operational model and strategies provide a competitive advantage to any of the potential franchise owners via faster time to operations with commensurate shorter return of investment cycles than offered by the traditional standalone site built restaurant franchise model.

3. Methods of competition.

The following delineation of our method of competition, though successfully utilized to date, is forward looking in nature.

Each item, or sub item within the context of the following "Item IV, paragraph D, sub-paragraph 3" may in and off itself constitute a method of competition, and the combination of methods, may be construed as "the plan."

(i) Forward Looking Statements

Except for historical information, the matters discussed herein and in the Issuer's press releases and other public pronouncements contain forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The words "believe," "expect," "intend," "anticipate," "estimate" and similar expressions identify certain of such forward looking statements. Such forward looking statements are subject to risks and uncertainties that could cause actual results to be materially different from historical results or from any results expressed or implied by such forward looking statements. Any forward looking statements speak only as of the date on which such statements are made, are not guarantees of future performance, and involve certain risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or implied in such forward looking statements, whether as a result of new information, future events or otherwise.

Factors that could cause such results to differ materially from the results discussed in such forward looking statements include, without limitation: uncertainty of the Issuer's meeting its operational needs due to current working capital constraints; losses to date; no assurances of and

uncertainty of profitability; need for additional equity investment and/or debt capital; no current agreements, arrangements, or understandings for such needed capital; no assurances of the Issuer successfully executing upon its business plan; substantial competition from companies having substantially greater financial, marketing and other resources than the Issuer, including name and brand recognition; the impact of competitive services and pricing; changing consumer tastes and trends; and no assurances of an active or sustained trading market in the Issuer's securities. Many of such factors are beyond the Issuer's control. New factors emerge from time to time and it is not possible for management to predict all of such factors, nor can management assess the impact of each such factor, or combination of factors, which may cause actual results to differ materially from those contained in any forward looking statements. In light of these risks and uncertainties, there can be no assurance that the results anticipated in these forward looking statements will in fact occur. The Issuer undertakes no obligation to update any such forward looking statements.

(ii) Introduction

The Issuer, through the Subsidiary, operates and franchises quick-casual restaurants with limited service offering pizza, pasta, subs, beverages and other menu items on a dine-in and take-out basis known as "PAPA BELLO[®] restaurants." At present, all PAPA BELLO[®] restaurants are located in Wal-Mart[®] Supercenter stores.

There are a total of fifteen PAPA BELLO[®] restaurants in operation at the present time. Seven PAPA BELLO[®] restaurants are operated by the Subsidiary and eight PAPA BELLO[®] restaurants are operated by franchisees of the Subsidiary.

We also believe that it is important to recognize the enormous potential customer base in Wal-Mart[®] employees, with the average Wal-Mart[®] Supercenter store employing between 350 and 450 people. We encourage our franchisees to provide Wal-Mart[®] employees with special discounts and promotions, believing that it will not only further our brand awareness but will in turn encourage Wal-Mart[®] employees to bring awareness and act as a marketing bridge to people in their local communities, family members and friends.

(iii) Restaurant Design

PAPA BELLO[®] restaurants are characterized by their distinctive exterior and interior design, furnishings, and color scheme. At present, each PAPA BELLO[®] restaurant occupies an average of 1,600 to 2,200 square feet within the front entrance of Wal-Mart[®] Supercenter stores. The typical interior of a PAPA BELLO[®] restaurant is well-lit, with a vibrant color scheme, including a bright menu board and counters designed so that customers can observe as pizzas and subs are prepared. Our restaurants are designed to facilitate the smooth and orderly flow of order taking, food preparation and customer routing, ensuring efficiency and uniformity in our food quality and customer service.

The hours of operation of our PAPA BELLO® restaurants vary by location, with most generally open from 9:00 AM to 10:00 PM.

(iv) Franchise Program

We seek to attract qualified franchisees with considerable business, restaurant or retail experience as well as the requisite financial resources necessary to successfully operate a PAPA BELLO® restaurant. Our franchisees are fundamental to our development and growth strategy and we carefully evaluate each prospective PAPA BELLO® applicant. If an applicant is selected, depending on the basis of their particular qualifications, we will enter into either:

- a. A franchise agreement, for the operation of a single PAPA BELLO® restaurant (a "Franchise Agreement"),
- b. A development agreement, for the operation of two or more PAPA BELLO® restaurants within a given geographic area (a "Development Agreement"), or
- c. An area representative agreement, for the development and servicing of two or more PAPA BELLO® restaurants within a given geographic area (a "Representative Agreement").

(v) Franchise Agreements

Qualified applicants with whom we enter into a Franchise Agreement are granted the right to establish and operate one PAPA BELLO® restaurant at a specified site within a designated area. Singly franchised PAPA BELLO® restaurants will primarily be operated within Wal-Mart® Supercenter stores, but may also be operated from other sites such as in shopping centers, strip malls or as stand-alone locations. We have entered into a master lease agreement with Wal-Mart® and enter into sublease agreements with each franchisee that operates PAPA BELLO® restaurants within a Wal-Mart® Supercenter store.

Our initial franchise fee is \$25,000 (the "Initial Fee"), with the estimated initial investment ranging from approximately \$210,000 to \$380,000. As of the date hereof, we have entered into twelve Franchise Agreements.

(vi) Development Agreements

Qualified applicants with whom we enter into a Development Agreement are granted the right to develop two or more PAPA BELLO® restaurants within a specified geographic area (the "Territory"). The size of the Territory varies depending upon local market conditions and the number of PAPA BELLO® restaurants to be developed, all of which are negotiated prior to execution of the Development Agreement. A franchisee is obligated to develop the number of PAPA BELLO® restaurants contemplated in the Development Agreement in accordance with a development schedule set forth therein, and must enter into a separate Franchise Agreement for each PAPA BELLO® restaurant established.

The fees associated with entering into a Development Agreement include \$25,000 for the first PAPA BELLO[®] restaurant and a \$15,000 deposit for each additional restaurant to be developed.

(vii) Representative Agreements

Qualified applicants with whom we enter into Representative Agreements are granted the right to develop and service multiple PAPA BELLO[®] restaurants within a Territory ("Area Reps"). Representative Agreements differ from Development Agreements in that they grant Area Reps the right to develop PAPA BELLO[®] restaurants and then oversee the daily activities of the franchisees operating those locations. Applicants with whom we enter into Representative Agreements are not sub franchisors because they are required to open and operate at least one PAPA BELLO[®] restaurant within their Territory and they are not authorized to sign Franchise Agreements with additional franchisees. Within its Territory an Area Rep is also responsible for:

- a. Conducting local advertising campaigns for, and pre-screening and pre-qualifying prospective franchisees,
- b. Providing initial and ongoing training, re-training and support for franchisees, and
- c. Assisting us in monitoring the progress and performance of franchisees.
- d. All franchisees pre-qualified by an Area Rep must still receive our final approval.

As of the date hereof, fees associated with entering into a Representative Agreement include a \$30,000 flat fee and an additional \$0.02 per person within an Area Rep's Territory, as determined based on population tracking data, including data collected by the U.S. Census. In consideration of pre-screening and pre-qualifying prospective franchisees and of submitting qualified applicants to us, an Area Rep is entitled to receive 50% of the Initial Fee generated from any franchisee we accept, payable in two equal payments, with the first installment being due upon the initial sale of the franchise and the second upon the opening of a PAPA BELLO[®] restaurant. In consideration of an Area Rep's initial and ongoing training, support and monitoring of franchisees within its Territory, such Area Rep is entitled to receive 50% of all royalties and transfer fees received from any franchise in the Territory.

As of the date hereof, we have entered into Representative Agreements covering each of Colorado, South Carolina, Missouri, Alabama and Georgia, with the average agreement requiring an Area Rep to open a minimum of 40 PAPA BELLO[®] restaurants over a period of 20years at a minimum rate of 2 PAPA BELLO[®] restaurants per year. The Representative Agreements also require Area Reps to open PAPA BELLO[®] restaurants in any Wal-Mart[®] Supercenter store within their respective Territories in which we determine, in conjunction with such

Area Rep, to apply for, and are subsequently awarded, new site space.

(viii) Training and Support

Prior to opening a PAPA BELLO[®] restaurant, we require each franchisee to attend and satisfactorily complete our initial management training program, conducted at our corporate headquarters and/or at an existing company-owned PAPA BELLO[®] restaurant. Our initial training program is offered as needed throughout the year and generally requires approximately 120 hours over the course of three weeks to complete. In addition to our initial training program, we provide each of our franchisees with on-going support and training, including via telephone and email, through our point-of-sale system, our newsletter or additional in-store programs and seminars.

(ix) Site Selection and Construction

We may offer our franchisees a pre-approved site for their PAPA BELLO[®] restaurant, which may be located within a Wal-Mart[®] Supercenter store. If we propose a site and it is rejected, the franchisee will be responsible for securing an alternative location which meets our selection criteria, and must obtain our approval.

At present, our PAPA BELLO[®] restaurants are primarily located in Wal-Mart[®] Supercenter stores, but we believe they are also particularly suited for development in areas exposed to high volumes of traffic or dense populations, such as strip malls, shopping centers or free standing buildings near offices, high schools, universities, hospitals, retail outlets, recreational facilities and large intersections.

We reserve the right to assume responsibility for the construction and build-out of all of our franchised PAPA BELLO[®] restaurants and may require our franchisees to use the services of an architectural or construction firm of our choice, as well as designate specific suppliers for other items required to be included in a PAPA BELLO[®] restaurant.

Time to market for a new restaurant, or franchise is significantly reduced, as are construction costs in general and real estate costs in particular, as our master lease agreement with Wal-Mart[®] allows us to open a new restaurant or franchise, without having to locate and purchase real estate, and the construction is in the form of an addition, or TI (tenant improvement) of existing facilities, significantly reducing startup construction and site acquisition costs.

(x) Reporting and Business Processes

We require our franchisees to purchase and use certain electronic cash register systems, computer hardware and software that meet our specifications, and are capable of electronically interfacing with our computer system to collect sales and other operating information from our franchisees and which may be expanded to collect and monitor inventory control and shrinkage, payroll and accounting information, and credit card processing. This system is designed to enable us to have immediate access to the data collected and permit us to inspect and monitor electronically, information regarding gross receipts, consumables

depletion and general inventory levels, at each PAPA BELLO[®] restaurant.

(xi) Marketing and Advertising

We believe that opening PAPA BELLO[®] restaurants inside of Wal-Mart[®] Supercenter stores places us in a particularly advantageous position by allowing us to establish and market our brand organically, without undertaking significant advertising or marketing campaigns, and therefore decreasing the normal marketing expenses and normal advertising costs that we incur in comparison to some of our competitors. As part of our training program we try to educate our franchisees on how to maximize this benefit of exposure and to gain a loyal customer base.

We also believe that it is important to recognize the enormous potential customer base in Wal-Mart[®] employees, with the average Wal-Mart[®] Supercenter store employing between 350 and 450 people. We encourage our franchisees to provide Wal-Mart[®] employees with special discounts and promotions, believing that it will not only further our brand awareness but will in turn encourage Wal-Mart[®] employees to bring awareness and act as a marketing bridge to people in their local communities, family members and friends.

In addition to the coaching we offer through our training program, we also provide our franchisees with a complete marketing package, offering them ideas to assist in building sales and increase revenues and profits. We maintain a website, www.papabellopizza.com, and undertake various print media and radio advertisement marketing campaigns, as well as offer our franchisees two 30-second commercials which are compatible with any local television or cable provider. We also provide new menu item updates, promotions and ideas to our franchisees on a regular basis via email, mail and our website. We do this in order to accommodate market trends, styles, changes and maintain an overall "freshness" of our brand, believing the consumer is less likely to become bored of our products and therefore we will generate continued business and sales.

(xii) Insurance

We require our franchisees to maintain insurance policies against claims for personal injury, death, property damage, or any loss, liability or expense related to or connected with the operation of their PAPA BELLO[®] restaurant, including, at a minimum:

- a. Worker's compensation insurance with statutory limits, or if no statutory limits exist, with minimum limits of \$500,000 per occurrence,
- b. Employer's liability coverage with minimum limits of \$1,000,000, for each employee for bodily injury by accident and for each employee for bodily injury by disease, and
- c. Commercial general liability insurance with a \$10,000,000 minimum limit per occurrence for the premises.

(xiii) General Fees

In addition to the franchise, development and area representative fees set forth above there are a number of other fees associated with owning and operating a PAPA BELLO[®] restaurant. Each of our franchisees is responsible for monthly royalty fees in the amount of 6% of their prior month's gross sales ("Gross Sales"), must contribute 1% of Gross Sales to our advertising fund and spend 2% of Gross Sales on local advertising programs. If our franchisees lease space within a Wal-Mart[®] Supercenter store, among other fees that may be payable directly to Wal-Mart[®], they must pay us a monthly management fee of 1% of Gross Sales for the first two years and 1.25% of Gross Sales for each year thereafter. If a franchisee seeks to transfer their Franchise Agreement there is a \$5,000 fee associated with our review of the transfer application, and, if their PAPA BELLO[®] restaurant is located within a Wal-Mart[®] Supercenter store, there may be an additional transfer premium payable to Wal-Mart[®] if the transferee pays consideration in excess of the original franchisee's monthly rent. If an Area Rep transfers their Representative Agreement there is a \$25,000 fee payable to us.

Prior to our entering into a Franchise Agreement, Development Agreement or Representative Agreement with a qualified applicant, we furnish each such applicant with a franchise disclosure document prepared in accordance with the requirements of the Federal Trade Commission and containing detailed information regarding all required fees and expenditures associated with owning and operating a PAPA BELLO[®] restaurant.

E. Sources and availability of raw materials and the names of principal suppliers.

In the course of developing our existing PAPA BELLO[®] restaurants, we have established relationships and accounts with large, well-organized equipment vendors, food and beverage suppliers, architects, contractors and marketing agencies.

We currently purchase our food and paper goods from, among other companies, PepsiCo, Frito'-Lay's, ICEE and Tyson. We believe that the accessibility and size of these companies provides us with a reliable environment within which to operate, allowing us to maximize productivity, growth, ongoing maintenance, quality reliability and efficiency. We do not anticipate any difficulties in continuing to obtain an adequate supply of food and paper goods from our current vendors, however, should our existing vendor relationships terminate for any reason, we believe there are a sufficient number of alternative suppliers in the marketplace from which an adequate supply of food and paper goods may be purchased at acceptable quality and price levels.

We have also entered into a number of rebate programs, marketing funds and other contracts with respect to most of the items regularly used in the operation of our PAPA BELLO[®] restaurants. These programs ensure competitive pricing, service distribution, and the quality of the goods we sell. Most of these programs offer annual reimbursements in increasing increments calculated based on growth and

usage projections for all PAPA BELLO[®] restaurants. As a result, as we believe that sales at our existing PAPA BELLO[®] restaurants will increase over time and as we continue to sell additional Papa Bello[®] franchises, for which there can be no assurance, we will receive ever increasing annual reimbursement from each supplier with whom we have entered into such a rebate program, marketing fund or other contract.

F. Dependence on one or a few major customers

We are not dependent on one or a few major customers for sales in PAPA BELLO[®] restaurants, or franchises.

G. Patents trademarks licenses, franchise concessions royalty agreements or labor contracts, including their duration.

We rely on a combination of trademarks, copyrights, trade secrets and contract law rights in order to protect our brand, intellectual property and confidential or proprietary information ("Proprietary Rights"). Our Proprietary Rights are among the most important assets we possess and we depend significantly on these Proprietary Rights in being able to effectively compete in our industry. We cannot be certain that the precautions we have taken to safeguard our Proprietary Rights will provide meaningful protection from the unauthorized use by other. If we must pursue litigation in the future to enforce or otherwise protect our Proprietary Rights, or to determine the validity and scope of the rights of others, we may not prevail and will likely have to make substantial expenditures and divert valuable resources in the process. Moreover, we may not have adequate remedies if our Proprietary Rights are appropriated or disclosed.

As of the date hereof, we have registered the:

- a. PAPA BELLO[®] logo (Registration No.3, 335,720)
- b. "PAPA BELLO[®]" (Registration No. 3,330,101)
- c. "Papa Knows Best!" (Registration No. 3,319,117)

with the United States Patent and Trademark Office in order to establish and protect our brand name and logo as part of our Proprietary Rights.

We claim copyright protection and rights to the original materials used in our PAPA BELLO[®] restaurants, including our recipes, confidential operations manuals, bulletins, correspondence and communications with our franchisees, training, advertising and promotional materials, and other written materials relating to our operations.

Whenever we deem it important for purposes of maintaining competitive advantages, we will require parties with whom we share, or who otherwise are likely to become privy to, our trade secrets or other confidential information to execute and deliver to us confidentiality and/or non-disclosure agreements. Among others, this may include employees, consultants and other advisors, each of whom we would require execute such an agreement upon commencement of their employment, consulting or advisory relationships. These agreements will generally provide that all confidential information developed or made known to the individual by us during the course of the

individual's relationship with us is to be kept confidential and not to be disclosed to third parties except under specific circumstances.

H. The need for governmental approval of principal products or services and the status of any governmental approvals.

Governmental approvals are not required for us to provide our goods.

Item X The nature and extent of the issuer's facilities.

(i) Executive Office

Our principal executive offices are located in an office building located at

300 West Orange Height Lane, Corona, CA 92883

TEL: 951-299-6595

FAX: 888-641-2626

(ii) Corporate Restaurant Facilities

PAPA BELLO[®]'s currently operates 8 corporate restaurant locations, within the confines of local Wal-Mart[®] Super centers. Our corporate, as well as franchise restaurants operate under a Master lease agreement between us and Wal-Mart[®].

a. Wal-Mart[®] Master Lease

The Company holds a Master Lease Agreement with Wal-Mart[®] for restaurant space. The lease periods are generally 10 years with two 5 year renewal options. The basic lease agreement per location with Wal-Mart[®] is charged as a percentage of gross sales ranging from 2% for sales up to \$25,000 to 12% as gross sales increase to above approximately \$58,000. In addition to this base license fee, the Company is responsible for a monthly utility fee per location, also based upon gross sales, ranging from \$850 to \$1,500. Each location is also charged a flat fee of \$100 per month for grease trap fees. As locations and sales increase, these amounts will increase accordingly. The Company is billed monthly by Wal-Mart[®] and in turn bills the franchisee of each location. The Company has drafting abilities over the franchisees' bank accounts to ensure payment of these amounts to the Company.

At present, PAPA BELLO[®] restaurants are operated by franchisees of the Subsidiary in Wal-Mart[®] stores at the following addresses:

4495 Keith Street, Cleveland, Tennessee 37312
12862 State Road 21, DeSoto, Missouri 63020
3712 West Main, Durant, Oklahoma 74701
3650 Star Dust Drive, Hannibal, Missouri 63401
2801 West State Route 18, Tiffin, Ohio 44883
1971 Wentzville Parkway, Wentzville, Missouri 63385
2010 Paxville Highway, Manning, South Carolina 29102
1717 South College Street, Auburn, Alabama 36832

At present, the Subsidiary owns and operates PAPA BELLO® restaurants located in Wal-Mart® stores at the following addresses:

3101 West Kimberly Road, Davenport, Iowa 52807
1920 South Stephenson Avenue, Iron Mountain, Michigan 49801
1303 Charles Street, Park Rapids, Minnesota 56470
650 West Votaw Street, Portland, Indiana 47371
1601 Cornhusker Drive, South Sioux City, Nebraska 68776
1550 North Cass Street, Wabash, Indiana 46992
601 Lerner Street, Dodgeville, Wisconsin 53533

Part D Management Structure and Financial Information

Item XI The name of the chief executive officer, members of the board of directors, as well as control persons.

A. Officers and Directors

Responding to this item, the following is provided for each of the issuer's executive officers, directors, general partners and control persons, as of the date of this information statement

(i) List of Executive Officers, Directors, General Partners and, or Control Persons.

Our current director and officers are as follows:

Chief Executive Officer:	Jim Wheeler
President: (interim)	Jim Wheeler
CFO: (interim)	Jim Wheeler
Secretary and Treasurer: (Interim)	Jim Wheeler

(ii) Executive Officers, Directors, General Partners and, or Control Persons detail.

1. Full Name

James R. Wheeler

2. The business address for our directors and executive officer is c/o the Issuer:

9525 West Russell Road
Suite C
Las Vegas, Nevada 89148.

3. Employment History

Mr. Wheeler has built six successful ventures in his entrepreneurial career including co-founder of American Bath Factory, Portraits Plus Galleries, Remind America, Global Interlink Systems, Inc. and Blow Me Away Media and has more than thirty years experience in transforming entrepreneurial ventures into successful businesses with Jas. R. Wheeler Marketing Co. Mr. Wheeler successfully combined his passion for psychology, business and training with his creative and artistic talents in forming Portrait Plus Galleries. Under Mr. Wheeler's leadership Portrait Plus Galleries expanded to three locations, Long Beach,

California, Santa Fe, New Mexico; and Park City, Utah and was sold in 2000. During his tenure at Portrait Plus Galleries, Mr. Wheeler developed an innovative acrylic application process, which when applied to fiberglass molded products, provided an intensely deep, durable and transparent gloss. After selling Portrait Plus Galleries, Mr. Wheeler purchased Majestic Marble and Spas and began manufacturing his own bathtub and spa designs incorporating the proprietary process under the “Majestic Marble & Spa” brand name. Mr. Wheeler was instrumental in the growth of the company and for establishing a manufacturing partner in Shanghai, China to handle the Asian markets. Mr. Wheeler left what is now America Bath Factory to his family in 1995 and founded Remind America and Global Interlink Systems.

4. Board memberships, other affiliations.

Mr. Wheeler is 100% focused on Papa Bello Enterprises and has no other boards affiliations at this time.

5. Compensation by Issuer.

During the restructuring period Mr. Wheeler is taking no compensation.

6. Number and class of the issuer’s securities beneficially owned by such person.

The Issuer does not have any beneficial owner’s equity which hold a 5% or greater interest in the Issuers equity.

B. Legal/Disciplinary History of foregoing persons.

None of the Issuer's executive officers, directors or control persons has, in the last five years, been the subject of:

1. A conviction in a criminal proceeding or named as defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses).
2. The entry of an order, judgment or decree not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended, or otherwise limited such person's involvement in any type of business, securities, commodities or banking activities.
3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodities Futures Trading Commission or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended or vacated.
4. The entry of an order by a self-regulatory organization that permanently or temporarily barred suspended or otherwise limited such person's involvement in any type of business or securities activities.

C. Disclosure of Family Relationships

There are no family relationships, by blood, marriage or adoption, among or between any of our directors, officers or beneficial owners of more than five percent of our outstanding shares of Common Stock.

D. Disclosure of Related Party Transactions.

- 1) To the best of the Issuer's knowledge, there are no transactions during the issuer's last two full fiscal years and the current fiscal year or any currently proposed transaction, involving the issuer, in which:
 - i) The amount involved exceeds the lesser of \$120,000 or one percent of the average of the issuer's total assets at year end for its last three fiscal years; and.
 - ii) Any related person had or will have a direct or indirect material interest.

A. Disclosure of Conflicts of Interest

None, other than as set forth in Item XI, paragraph D-1 above.

Item XII Financial information for the issuer's most recent fiscal period

The financial statements requested pursuant to this item shall be prepared in accordance with generally accepted accounting principles GAAP by persons with sufficient financial skills.

The following information regarding the preparer is incorporated by reference from the submitted document available through the OTC Disclosure and News Service under the "*Attorney Letter with respect to Current Information,*" page 2; paragraph 9; at the following URL within the OTC website.

- i. The person responsible for the preparation of the financial statements in the information is Mr. Jim Wheeler. Mr. Wheeler is qualified to prepare the financial statements because he is intimately familiar with the company and its financial records, serving as CEO, President, interim CFO..... Mr. Wheeler is very experienced in financings and financial modeling and the preparation of both historical and prospective financial statements.

The following listed document is incorporated by reference to the original submitted document found at the location listed in Item XII sub-paragraph I.

I. Attorney Letter with respect to Current Information

II. The original document is located and available as follows:

Documents incorporated by reference to uploaded and submitted filings and compliance documents are found at the following web site and URL:

Where: <http://www.otcmarkets.com> locates the primary website repository document level,

While: <http://www.otcmarkets.com/stock/PAPA>, is the Issuer's stock symbol specific page and data/report listings page.

And: <http://www.otcmarkets.com/stock/PAPA/financials> represents the specific location of required filings and referenced documents.

The following disclaimer is in effect regarding the subsequent financial data:

The financial information presented herein is not audited, nor does it contemplate

certain assessments and disclosures necessary to be in compliance with United States Generally Accepted Accounting Principles (“US GAAP”). Such assessments include annual goodwill impairment analysis, consideration of discontinued operations, which, when considered may require financial information and classification to be materially modified to be in compliance with US GAAP. Accordingly, this financial information should not be relied upon as a sole determinant.

1. Balance Sheet (see financial notes (Item XII, paragraph 5, subparagraph a)):

The following financial data is incorporated by reference from the submitted document available through the OTC Disclosure and News Service under the “*Annual Report Year-end December-31-2011*,” at the following URL within the OTC website.

The following listed documents are incorporated by reference to the original submitted documents found at the location identified in Item XII, paragraph 1, sub-paragraph (i).

a. *Annual Report Year-end December-31-2011; Page 1 titled*

PAPA BELLO[®] ENTERPRISES INC.

CONSOLIDATED BALANCE SHEET

AS OF DECEMBER 31, 2011

(unaudited)

(i) The original document is located and available as follows:

Documents incorporated by reference to uploaded and submitted filings and compliance documents are found at the following web site and URL:

Where: <http://www.otcmarkets.com> locates the primary website repository document level,

While: <http://www.otcmarkets.com/stock/PAPA>, is the Issuer’s stock symbol specific page and data/report listings page.

And: <http://www.otcmarkets.com/stock/PAPA/financials> represents the specific location of required filings and referenced documents, for example:

Annual Report - Year End December 31, 2011:

<http://www.otcmarkets.com/financialReportViewer?symbol=PAPA&id=71429>

This space intentionally left blank.

PAPA BELLO® ENTERPRISES, INC.
CONSOLIDATED BALANCE SHEET
AS OF DECEMBER 31, 2011
(Unaudited)

Assets

Current Assets:

Cash	\$ 14,213
Inventory	<u>\$ 34,561</u>
Total current assets	<u>\$ 50,877</u>

Property and equipment, net of accumulated depreciation	\$ 62,762
Other assets	\$ 768
Goodwill	<u>\$ 1,967,510</u>

Total Assets	<u>\$ 2,081,917</u>
---------------------	----------------------------

Liabilities and Stockholders' Deficit

Current liabilities:

Accounts payable	\$ 28,167
Accrued liabilities	\$ 54,424
Line of credit	\$ 75,800
Capital leases payable	\$ 16,758
Notes payable	\$ 41,406
Related party note payable / advance payable	\$ 209,994
Liabilities of discontinued operations	<u>\$ 153,279</u>

Total current liabilities	<u>\$ 579,828</u>
Stockholders' Equity	
Preferred stock, \$0.0001 par value; 5,000,000 shares authorized; - none issued and outstanding	
Common stock, \$0.0001 par value; 200,000,000 shares authorized; 95,224,290 issued and outstanding	9,522
Additional paid-in capital	\$ 9,586,234
Accumulated deficit	\$ (8,088,242)
Total Stockholders' Equity	<u>\$ 1,502,089</u>
Total Liabilities and Stockholders' Equity	<u>\$ 2,081,917</u>

2. Statement of Income (see financial notes (Item XII, paragraph 5, subparagraph a)):

The following disclaimer is in effect regarding the subsequent financial data:

The financial information presented herein is not audited, nor does it contemplate certain assessments and disclosures necessary to be in compliance with United States Generally Accepted Accounting Principles ("US GAAP"). Such assessments include annual goodwill impairment analysis, consideration of discontinued operations, which, when considered may require financial information and classification to be materially modified to be in compliance with US GAAP. Accordingly, this financial information should not be relied upon as a sole determinant.

The following financial data is incorporated by reference from the submitted document available through the OTC Disclosure and News Service under the "*Annual Report Year-end December-31-2011*," at the following URL within the OTC website. The original document is located and available as follows:

The following listed documents are incorporated by reference to the original submitted documents found at the location listed in Item XII paragraph 1; subparagraph (i).

- a. Annual Report Year-end December-31-2011; Page 1, titled;

CONSOLIDATED BALANCE
SHEET AS OF DECEMBER 31,
2011;

- Annual Report Year-end December-31-2011; Page 2, titled;

CONSOLIDATED STATEMENT OF
OPERATIONS FOR THE TWELVE MONTHS
ENDED DECEMBER 31, 2011

This space intentionally left blank.

PAPA BELLO® ENTERPRISES, INC.
CONSOLIDATED STATEMENT OF INCOME
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011
(unaudited)

Revenue		\$ 1,064,200
Cost of revenues	\$ 885,417	
Gross profit	\$ 178,783	
Operating Expenses:		
General and Administrative	\$ 308,681	
Selling and Marketing	\$ 2,100	
Total Operating Expenses	\$ 310,781	
Total Expenses		<u>\$ (1,196,198)</u>
Operating Income		\$ (131,998)
Other Income and (Expense):		
Interest expense		\$ (7,921)
Other income		<u>\$ 1,817</u>
Total other income and expense		\$ (6,104)
Net loss from continuing operations		\$ (138,102)
Net loss from discontinued operations		<u>\$ (1,170,484)</u>
Net Income (Loss)		<u>\$ (1,308,586)</u>

This space intentionally left blank.

3. Statement of Cash Flows:

The following disclaimer is in effect regarding the subsequent financial data:

The financial information presented herein is not audited, nor does it contemplate certain assessments and disclosures necessary to be in compliance with United States Generally Accepted Accounting Principles (“US GAAP”). Such assessments include annual goodwill impairment analysis, consideration of discontinued operations, which, when considered may require financial information and classification to be materially modified to be in compliance with US GAAP. Accordingly, this financial information should not be relied upon as a sole determinant.

The following financial data is incorporated by reference from the submitted document available through the OTC Disclosure and News Service under the “*Annual Report*” year-end 12-31-2011, and “*Annual Report*” year-end 12-31-2010, at the following URL within the OTC website. The original document is located and available as follows:

Documents incorporated by reference to uploaded and submitted filings and compliance documents are found at the following web site and URL:

Where: <http://www.otcmarkets.com> locates the primary website repository document level,

While: <http://www.otcmarkets.com/stock/PAPA>, is the Issuer’s stock symbol specific page and data/report listings page.

And: <http://www.otcmarkets.com/stock/PAPA/financials> represents the specific location of required filings and referenced documents, for example:

Annual Report - Year End December 31, 2011:

<http://www.otcm Markets.com/financialReportViewer?symbol=PAPA&id=71429>

This space intentionally left blank.

PAPA BELLO[®] ENTERPRISES, INC.
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE TWELVE MONTHS ENDED DEC. 31, 2011 AND Dec. 31 2010
(unaudited)

	2010	2011	Incr./Decr.	
Operating Activities (Cash +/-)				
+ Sales	2,182,134	1,064,200	decrease	-1,117,934
- Cost of revenues	1,884,730	885,417	decrease	-999,313
- Inventory	57,641	34,561	decrease	23,080
- Operating expenses	753,234	310,781	decrease	-442,453
- Property and equipment,	276,564	62,762	decrease	213,802
- Accounts payable	40,752	28,167	decrease	-12,585
- Accrued liabilities	72,048	54,424	decrease	-17,624
- Line of credit	83,300	75,800	decrease	-7,500
- Capital leases payable	16,758	16,758	nc	0
- Notes payable	394,009	251,400	decrease	-142,000
- Liabilities of discontinued operations		153,279	increase	153,279
- Net loss from discontinued operations		-1,170,484	increase	-1,170,484
Investing Activities (Cash +/-)				
	N/A	N/A		
- Interest expense	-12,747	-7,921	decrease	4,826
Financing Activities (Cash +/-)				

+ Additional paid-in capital	8,955,408	9,586,234	increase	630,826
Net increase/decrease of cash	7,462,323	7,598,680		
Cash at beginning of period	52,580	14,213	decrease	38,367

Discussion of Year to Year Comparative cash flows and impacts:

The issuer's comparative cash-flows for the fiscal periods ending Dec. 31 2010 and 2011 respectively show a general decrease in both the receipt as well as the usage of cash by the issuer. This trend is not unique to the issuer; rather it is an industry wide trend primarily attributable to the current economic uncertainties.

Declining assets were offset somewhat by lower inventory carrying costs, with total current assets declining by 50% for ending balances of 2011 over 2010.

A similar pattern is evident for Liabilities and Accrued Liabilities, where the decrease in liabilities should indicate the preservation of cash. This is the case, though offset, by liabilities due to discontinued operations, which are the result of heightened economic impacts to our customer base in certain areas. The underperforming operations were discontinued to enable the remainder of our operations to prosper. While the issuer had to post one-time discontinued operations liability, the issuer saw a general decline in the outflow of cash for the remaining liability accounts. Management is working diligently to ensure the continued implementation of cost containment strategies to ensure the lowest possible liability for company.

The company has successfully reduced operating expense cash outlays during fiscal 2011, in proportion to the reduced sales volume, maintaining the overall ratios and margins of the fiscal 2010 period.

Similarly, the Company has managed the cost of goods sold to stay in line with current sales volumes, thereby preserving margins cash from sales.

The company has maintained and reduced use of our line of credit to ensure availability of capital as needed, while simultaneously reducing the notes payable liability by significant margins.

Allowing for the one-time discontinued operations post, the company is successfully maintaining reductions with respect to current liabilities in proportion to losses of revenue, due to a soft economy.

The company has successfully utilized its equity to acquire capital over the period(s) and has successfully maintained liquidity throughout the fiscal 2010 and 2011 periods.

The continued successful management of cash out flows and continuous reduction of liabilities, where possible, without sacrificing quality or customer service has enabled the issuer to maintain cash flows in excess of those required to maintain operations, resulting in positive shareholder equity for both the 2010 and 2011 fiscal periods.

The issuer is currently in the process of implementing long range strategic franchising strategies and management is actively engaged in the day to day monitoring of costs and margins.

The company will likely need to rely on the sale of equities for the near term until the strategic plan can be fully implemented to meet its operational and strategic needs.

This space intentionally left blank.

4. Statement of changes in stockholder's equity (see financial notes (Item XII, paragraph 5, subparagraph a)).

The following disclaimer is in effect regarding the subsequent financial data:

The financial information presented herein is not audited, nor does it contemplate certain assessments and disclosures necessary to be in compliance with United States Generally Accepted Accounting Principles ("US GAAP"). Such assessments include annual goodwill impairment analysis, consideration of discontinued operations, which, when considered may require financial information and classification to be materially modified to be in compliance with US GAAP. Accordingly, this financial information should not be relied upon as a sole determinant.

The following financial data is incorporated by reference from the submitted document available through the OTC Disclosure and News Service under the "*Annual Report- Audited Financial Statements for the Years Ended December 31, 2008, 2007, and for the period July 13, 2006 to December 31, 2006,*" page 5, located at the following URL within the OTC website. The original document is located and available as follows:

The following listed documents are incorporated by reference to the original submitted documents found at the location listed in Item XII paragraph 1; subparagraph (i).

- a. *Annual Report- Audited Financial Statements for the Years Ended December 31, 2008, 2007, and for the period July 13, 2006 to December 31, 2006;*

(i) The original document is located and available as follows:

Documents incorporated by reference to uploaded and submitted filings and

compliance documents are found at the following web site and URL:

Where: <http://www.otcmarkets.com> located the primary website repository document level,

While: <http://www.otcmarkets.com/stock/PAPA>, is the Issuer's stock symbol specific page and data/report listings page.

And: <http://www.otcmarkets.com/stock/PAPA/financials> represents the specific location of required filings and referenced documents.

This space intentionally left blank.

PAPA BELLO® Enterprises, Inc.
Consolidated Statements of Stockholders' Equity (Deficit)

	Preferred Stock		Common Stock		Additional	Accumulated
	Shares	Amount	Shares	Amount	Paid In Capital	Deficit
ate of inception July 13, 2006	-	\$ -	-	\$ -	\$ -	\$ -
h contributions	-	-	10,875,753	1,088	1,209,199	-
or year ended December 31, 2006	-	-	-	-	-	(350,366)
Dec. 31, 2006 (Shareholder Equity as of Jan. 1, 2007)	-	-	<u>10,875,753</u>	<u>\$ 1,088</u>	<u>\$ 1,209,199</u>	<u>\$ (350,366)</u>
n contributions	-	-	9,124,247	\$ 912	\$ 1,014,462	\$ -
or year ended December 31, 2007	-	-	-	-	-	\$ (1,021,135)
Dec. 31, 2007 (Shareholder Equity as of Jan. 1, 2008)	-	-	<u>20,000,000</u>	<u>\$ 2,000</u>	<u>\$ 2,223,661</u>	<u>\$ (1,371,501)</u>
LC equity to Notes Payable	-	-	-	\$ (2,000)	\$ (2,223,661)	\$ -
ry as compensation	-	-	-	-	\$ 268,000	\$ -
PAPA BELLO® – Nevada	-	-	10,111,690	\$ 1,011	\$ 71,833	\$ -
or year ended December 31, 2008	-	-	-	-	-	\$ (1,884,140)
Dec. 31, 2008 (Shareholder Equity as of Jan. 1, 2009)	-	-	<u>30,111,690</u>	<u>\$ 1,011</u>	<u>\$ 339,833</u>	<u>\$ (3,255,641)</u>
h contributions	-	-	5,057,464	\$ 506	\$ 7,328,050	\$ -
or year ended December 31, 2009	-	-	-	-	-	\$ (2,987,729)
Dec. 31, 2009 (Shareholder Equity as of Jan. 1, 2010)	-	-	<u>35,169,154</u>	<u>\$ 1,517</u>	<u>\$ 7,667,883</u>	<u>\$ (6,243,370)</u>
h contributions	-	-	5,306,600	\$ 530	\$ 8,995,408	\$ -
or year ended December 31, 2010	-	-	-	-	-	\$ (536,286)
Dec. 31, 2010 (Shareholder Equity as of Jan. 1, 2011)	-	-	<u>40,475,754</u>	<u>\$ 2,047</u>	<u>\$ 16,663,291</u>	<u>\$ (6,779,656)</u>
h contributions	-	-	54,748,536	\$ 5,475	\$ 9,586,234	\$ -
or year ended December 31, 2011	-	-	-	-	-	\$ (1,308,586)
Dec. 31, 2011 (Shareholder Equity as of Jan. 1, 2012)	-	-	<u>95,5224,290</u>	<u>\$ 7,522</u>	<u>\$ 26,249,525</u>	<u>\$ (8,088,242)</u>

outstanding common equity share balance; of 200,000,000 authorized shares, rose to 95 million during fiscal 2011. This accounts for 47% of the current authorized common equity. The issuer did not issue any preferred equity during the 2011 fiscal and retains 100% of the authorized preferred equity shares.

The issuer is confident that current levels of authorized common equity and preferred equity shares will be sufficient to capitalize the strategic plan, while maintained share holder equity.

XII, paragraph 5, Financial notes are an integral part of this financial presentation.

5. Financial Notes

- a.** In keeping with posted OTC guidelines for the completion of an 15c2-11 document, the currently presented financial information is based on the last fiscal year period in accordance with the OTC stipulated rule(s) governing currency of data, which is copied from the original instruction and presented below:
 - i.** Information contained in annual financial statements will not be considered current more than 90 days after the end of the issuer's fiscal year immediately following the fiscal year for which; such statement(s) are provided, or with respect to quarterly financial statements, more than 45 days after the end of the quarter immediately following the quarter for which such statements are provided.

A. Note 1 – Organization

PAPA BELLO[®] Enterprises, Inc. is a Florida corporation formed in 1999. Until June 2008, the Company was known as Synegrate Corp. In June 2008, the Company changed its name from Synegrate Corp. to PAPA BELLO[®] Enterprises, Inc. (herein referred to as PAPA BELLO[®] – Florida). All operations of PAPA BELLO[®] – Florida prior to the merger described below were through its wholly owned subsidiary, Fox River Graphics.

Papa Bello Enterprises, LLC, was formed on July 13, 2006 to acquire substantially all of the assets of Papa Bello Development Group, LLC, a Nevada limited liability company, which held rights to the PAPA BELLO[®] brand and all of the associated intellectual property assets, as well as two PAPA BELLO[®] restaurants. On January 17, 2008, PAPA BELLO[®] Enterprises, LLC changed to PAPA BELLO[®] Enterprises, Inc., a Nevada corporation (herein referred to as PAPA BELLO[®] – Nevada). The effect of the change to corporate status of Papa Bello - Nevada has been reflected in the accompanying consolidated financial statements. The accompanying financial statements have been restated to reflect the shares of common stock acquired through the merger described in the following paragraph as though they had been issued on the dates capital contributions were received from the owners of PAPA BELLO[®] – Nevada.

Effective June 26, 2008, PAPA BELLO[®] - Florida entered into an Exchange Agreement (the "Agreement") with Papa Bello - Nevada, whereby PAPA BELLO[®] - Florida issued 24,000,000 shares of common stock to the shareholders of PAPA BELLO[®] - Nevada, in exchange for all the issued and outstanding shares of common stock of PAPA BELLO[®] - Nevada immediately prior to the transaction. Additionally, shareholders of PAPA BELLO[®] – Florida returned 66,401 shares of common stock to PAPA BELLO[®] Florida in exchange for the common stock of its subsidiary, Fox River Graphics. The 66,401 shares of common stock returned were subsequently cancelled. As a result of the Agreement, the shareholders of Papa Bello - Nevada acquired approximately 79.7% of the outstanding post-transaction shares of Papa Bello – Florida. PAPA BELLO[®] - Nevada has been deemed the accounting acquirer (a reverse acquisition in which PAPA BELLO[®] - Nevada is considered the acquirer for

accounting purposes). Accordingly, the historical financial information presented for the periods prior to June 26, 2008 is that of PAPA BELLO® - Nevada. The results of operations of PAPA BELLO® - Florida have been included with the results of operations of PAPA BELLO® - Nevada in the accompanying financial statements from the date of acquisition.

References to Papa Bello – Florida and Papa Bello – Nevada as consolidated throughout these Notes to Consolidated Financial Statements are made using the first person notations of “we,” “us” and “our”, as well as “the Company”.

The Company owns a master sublease with Wal-Mart® to place Papa Bello Pizza stores in Wal-Mart® stores. The Company operates several pizza stores and sells franchises.

B. Note 2 – Significant Accounting Policies

1. Basis of Presentation and Fiscal Year

Our accompanying consolidated financial statements include the accounts of Papa Bello - Florida and our wholly-owned subsidiary, Papa Bello - Nevada. All significant intercompany transactions have been eliminated in consolidation. Our fiscal year ends on December 31. The consolidated financial statements have been prepared on the accrual basis of accounting and are in conformity with accounting principles generally accepted in the United States of America and prevailing industry practice.

2. Use of Estimates

Timely preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial statements, as well as the reported amounts of income and expense during the reporting periods. Actual results could differ from those estimates.

3. Cash and Cash Equivalents

For purposes of reporting cash and cash equivalents, highly liquid investments purchased with original maturities of three months or less are considered cash equivalents. Our Accounting Policy states that carrying amount(s) reported in our accompanying consolidated balance sheets for these instruments approximate their fair value. The Company did not own cash equivalents as of December 31, 2011.

4. Concentrations

We maintain cash balances at several highly-rated financial institutions in various states. Accounts at each institution are insured by either the Federal Deposit Insurance Corporation ("FDIC") or the National Credit Union Association ("NCUA"), for the years ended December 31, 2011. At December 31, 2011, we had no account balances over federally insured limits.

For the periods ended December 31, 2011, we maintained a distribution agreement with a single vendor, who accounted for 40%+ of all of our food

purchases. We do not believe we have an over reliance on this vendor, as our food product usage and requirements can be met by any number of local vendors and we would readily be able to change to another food purchase vendor should the need arise.

5. Inventories

Inventories are stated at the lower of cost (on a first-in, first-out basis) or market and consist primarily of restaurant food, paper, equipment and supplies.

6. Credit Risks

Accounts receivable consist primarily of amounts due from franchisees and licensees for initial and continuing fees. In addition, we may, from time to time, have notes receivables from certain franchisees. The financial condition of these franchisees and licensees is largely dependent upon the underlying business trends of our brand. This concentration of credit risk is mitigated, in part, by the short-term nature of the franchise and license fee receivables.

7. Allowance for Doubtful Accounts

We estimate our accounts receivable risks and provide allowances for doubtful accounts accordingly. We believe that our credit risk for accounts receivable is limited because of the relatively small account balances per store. Accounts receivable includes the accrual of royalty revenue by month, as well as any unreimbursed expenses the Company may have paid for a store or a franchisee. We evaluate the adequacy of the allowance for doubtful accounts on a periodic basis. The evaluation includes length of time receivables are past due, adverse situations that may affect a franchisee's ability to repay and prevailing economic conditions. We make adjustments to the allowance for doubtful accounts if the evaluation of allowance requirements differs from the actual aggregate reserve. This evaluation is inherently subjective and estimates may be revised as more information becomes available.

8. Allowance for Note Receivables

We estimate our note receivable risks and provide an allowance against specific notes receivable. The evaluation of the allowance is inherently subjective and based on management's knowledge of the franchisee, the economic environment and the particular case. If management has knowledge prior to the issuance of the Company's financial statements that a particular franchisee has defaulted on their note receivable or franchisee agreement then the Company fully allows against any unpaid note receivable.

9. Property and Equipment

Property and equipment are recorded at cost, less accumulated depreciation and impairment write-downs. Depreciation is computed using the straight-line method based on the assets' estimated useful lives. Generally, furniture items have a useful life of seven years, while equipment items have a useful life of five years. Leasehold improvements are amortized on a straight-line basis over the shorter of the estimated useful lives of the assets or the related lease terms, as determined in

accordance with Statement of Financial Accounting Standards No. 13, Accounting for Leases, as amended (“SFAS 13”).

10. Assets Held for Sale

Assets held for sale consist of restaurant properties that we expect to sell within one year. Such assets are classified as assets held for sale upon meeting the requirements of Statement of Financial Accounting Standards No. 144, Accounting for the Impairment, or Disposal of Long-Lived Assets, (“SFAS 144”). We no longer depreciate assets once classified as held for sale.

11. Capitalized Costs

We have elected to account for construction costs in a manner similar to Statement of Financial Accounting Standards No. 67, Accounting for Costs and Initial Rental Operations of Real Estate Projects (“SFAS 67”). As such, costs that have a future benefit for the project(s) are capitalized. If we subsequently make a determination that a site, for which development costs have been capitalized, will not be acquired or developed, any previously capitalized development costs are expensed and included in general and administrative expenses.

12. Impairment of Long-Lived Assets

In accordance with SFAS 144, long-lived assets, such as property and equipment and purchased intangibles subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset (including the value of associated intangible assets) to its related estimated undiscounted future cash flows. If the undiscounted future cash flows are less than the carrying value, an impairment charge is recognized to the extent that the carrying amount of the asset exceeds the fair value of the asset. We typically estimate the fair value of assets based on the estimated future cash flows discounted at an estimated weighted-average cost of capital. Upon recording the impairment charge, the estimated fair value becomes the asset’s new cost basis.

13. Gain (Loss) on the Sale of Restaurant Franchises and Deferred Revenues

The Company records gains and losses on the sale of restaurant franchises as the difference between the net proceeds received and net carrying values of the net assets sold. Losses are recognized immediately, while gains are recorded to deferred revenue based on the collectability of the note receivable that is associated with the sale of the restaurant franchises.

Revenue is recognized as payments are made on the note by the Franchisee. Management records an allowance against these notes receivable once the Franchisee is placed into default status by the Company. If a loss was recognized on the sale, then the entire outstanding balance of the note receivable is allowed against. If there is unrecognized deferred revenue at the time of default, the difference between the amount of gain not recognized and the outstanding note receivable is recorded as the allowance. Loss on disposition of restaurant franchises and operating loss of restaurant franchises held for sale included in the

accompanying statements of operations is made up of both the operating revenue and expenses from restaurants held for sale and the losses from disposition of restaurant stores.

14. Fair Value Accounting

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157, “Fair Value Measurements” (“SFAS 157”). SFAS 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. The provisions of SFAS 157 were adopted January 1, 2008. In February 2008, the FASB staff issued Staff Position No. 157-2 “Effective Date of FASB Statement No. 157” (“FSP SFAS 157-2”). FSP SFAS 157-2 delayed the effective date of SFAS 157 for nonfinancial assets and nonfinancial liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). The provisions of FSP SFAS 157-2 became effective for the Company, beginning with fiscal year 2009.

SFAS 157 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FAS 157 are described below:

- Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
- Level 2 Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability;
- Level 3 Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

In February 2007, the FASB issued FASB Statement No. 159, The Fair Value Option for Financial Assets and Financial Liabilities (“SFAS 159”). SFAS 159 permits entities to choose to measure many financial instruments and certain other items at fair value, with the objective of improving financial reporting by mitigating volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. The Company adopted the provisions of SFAS 159 as of January 1, 2008.

The Company did not elect the Fair Value Option for any of its financial assets or liabilities, therefore, the adoption of SFAS 159 had no impact on the Company’s consolidated financial position, results of operations or cash flows.

The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts

and classification of liabilities that may result from the outcome of this uncertainty.

15. Franchised and Licensed Operations

The Company executes franchise or license agreements for our brand that set out the terms of the arrangement with the franchisee or licensee. The franchise and certain license agreements require the franchisee or licensee to pay an initial, non-refundable fee and continuing fees based upon a percentage of gross sales. The Company offers three different levels of agreements:

- A Franchisee Agreement for the operation of a single restaurant – Initial fee of \$25,000.
- A Development Agreement for the operation of two or more restaurants within a given geographic area – Initial fee of \$25,000 plus a \$15,000 deposit for each additional restaurant developed.
- An Area Representative Agreement for the development and servicing of two or more restaurants within a given geographic area – Initial fee of \$30,000 and an additional \$0.02 per person within the geographic area.

In addition to the initial fees, the Company also receives monthly royalties in the amount of 6% of gross sales. Franchisees must also remit 1% of gross sales (monthly) to the Company's "Advertising Fund". The Franchisees who are leasing space within a Wal-Mart® store must pay an additional 1% of gross sales as a monthly management fee to the Company for the first two years and 1.25% of gross sales for each year thereafter. All of the Franchisee revenue is recorded to Franchise and Licensed restaurants revenue on the consolidated statements of operations.

16. Loss Contingencies

As required by Statement of Financial Accounting Standards 5, Accounting for Contingencies ("SFAS 5"), we assess each loss contingency to determine estimates of the degree of probability and range of possible settlement. Contingencies that are deemed to be probable, and where the amount of such settlement is reasonably estimable, are accrued in our Consolidated Financial Statements. We do not record liabilities for losses we believe are only reasonably possible to result in an adverse outcome.

17. Revenue Recognition

The revenue of Company-operated restaurants is recognized upon the sale of food or beverage to a customer in the restaurant.

Franchised and licensed restaurants and other revenue include initial fees and royalties. Continuing fees and royalties are recognized in the period earned. Initial fees are recognized upon the opening of a restaurant, which is when we have performed substantially all initial services required by the franchise agreement. Monthly royalties are recorded when billed to the franchisee. Sales of food and

equipment to franchisees are recognized at the time of delivery to the franchisees. In June 2006, the FASB ratified EITF 06-3, How Taxes Collected from Customers and Remitted to Governmental Authorities Should Be Presented in the Income Statement (That Is, Gross versus Net Presentation), to address the presentation of taxes in the income statement.

Our accounting policy is to present the taxes within the scope of EITF 06-3 on a net basis.

18. Loss per Share

In February 1997, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 128, Earnings per Share (“SFAS 128”) which requires the Company to present basic and diluted earnings per share for all periods presented. Basic earnings per share are computed as net income divided by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflect the potential dilution that could occur from common shares issuable through stock options, warrants, convertible debt and other convertible securities.

As of December 31, 2011 the Company has no potentially dilutive common shares due to our net loss position.

6. Audit Letter, if audited.

The issuer does not have an audit letter for the most current fiscal period.

The financial information presented herein is not audited, nor does it contemplate certain assessments and disclosures necessary to be in compliance with United States Generally Accepted Accounting Principles (“US GAAP”). Such assessments include annual goodwill impairment analysis, consideration of discontinued operations, which, when considered may require financial information and classification to be materially modified to be in compliance with US GAAP. Accordingly, this financial information should not be relied upon.

Item XIII Similar financial information for such part of the two preceding fiscal years as the issuer or its predecessor has been in existence.

Please reference item XII, and information delineated in Item XIII, paragraph –a–, and sub-paragraph (I) below; regarding the relevant data set for discussion of financials and period covered.

The preceding financial discussion, found in Item XII is an analysis and comparative evaluation and narrative, both for the specific fiscal period, as well as the comparative analysis for current and equivalent prior period(s), encompassing as it does, both prior fiscal years due to the fact that quarterly submitted data for Year ending December 31, 2011 is aged past 45 days. As such the discussion utilized the prior fiscal year data, rather than the prior fiscal quarter. The analysis and contrast is between year ending December 31, 2011, and year ending 2010. As such the requirements and analysis of section item XII and section Item XIII are substantially and materially the same discussion, with like outcomes.

- a. In keeping with posted OTC guidelines for the completion of an 15c2-11 document, the financial information utilized for the analysis and discussion in section XII is based on the last fiscal year period in accordance with the OTC stipulated rule(s) governing currency of data, which is copied from the original instruction and presented below:
 - i. Information contained in annual financial statements will not be considered current more than 90 days after the end of the issuer's fiscal year immediately following the fiscal year for which; such statement(s) are provided, or with respect to quarterly financial statements, more than 45 days after the end of the quarter immediately following the quarter for which such statements are provided.

Item XIV Beneficial Owners.

The following sets forth information regarding the beneficial ownership of each person known by the Issuer to beneficially own more than five percent of the outstanding shares of Common Stock of the Issuer as of the date hereof:

1. Name and Address of Beneficial Owner Number of Shares

<u>Shareholder</u>	<u>Number of Shares</u>
Jim Wheeler 300 West Orange Height Lane, Corona, CA 92883	50,000,000

Item XV The name, address, telephone number and email address of each of the following outside providers that advise the issuer on matters relating to the operations, business development and disclosure:

1. Investment Banker: Not Applicable

2. Promoters: Not Applicable

3. Counsel:

Apex Legal Service LLC	Tel:	(303) 678-7358
353 Main St.	Fax:	(888) 293-5906
Longmont, Co, 80501	E-mail	kh@interwesttc.com

4. Accountant or Auditor:

Silberstein Ungar, PLLC	Tel:	(303) 678-7358
30600 Telegraph Rd. Suite 2175.	Fax:	(888) 293-5906
Longmont, Co, 80501	E-mail	rons@sucpas.com

5. **Public Relations Consultant(s):**Not Applicable
6. **Investor Relations Consultant:**Not Applicable
7. **Other Adviser(s):**Not Applicable

Item XVI Management's Discussion and Analysis or Plan of Operations

- A. N/A
- B. **Management's Discussion and Analysis of Financial Condition and Results of Operations.**

1. Organization:

PAPA BELLO[®] Enterprises, Inc. is a Florida corporation formed in 1999. Until June 2008, the Company was known as Synegrate Corp. In June 2008, the Company changed its name from Synegrate Corp. to PAPA BELLO[®] Enterprises, Inc. (herein referred to as PAPA BELLO[®] – Florida). All operations of PAPA BELLO[®] – Florida prior to the merger described below were through its wholly owned subsidiary, Fox River Graphics.

Papa Bello Enterprises, LLC, was formed on July 13, 2006 to acquire substantially all of the assets of Papa Bello[®] Development Group, LLC, a Nevada limited liability company, which held rights to the PAPA BELLO[®] brand and all of the associated intellectual property assets, as well as two PAPA BELLO[®] restaurants. On January 17, 2008, PAPA BELLO[®] Enterprises, LLC changed to PAPA BELLO[®] Enterprises, Inc., a Nevada corporation (herein referred to as PAPA BELLO[®] – Nevada). The effect of the change to corporate status of PAPA BELLO[®] - Nevada has been reflected in the accompanying consolidated financial statements. The accompanying financial statements have been restated to reflect the shares of common stock acquired through the merger described in the following paragraph as though they had been issued on the dates capital contributions were received from the owners of PAPA BELLO[®] – Nevada.

Effective June 26, 2008, PAPA BELLO[®] - Florida entered into an Exchange Agreement (the "Agreement") with PAPA BELLO[®] - Nevada, whereby Papa Bello - Florida issued 24,000,000 shares of common stock to the shareholders of PAPA BELLO[®] - Nevada, in exchange for all the issued and outstanding shares of common stock of PAPA BELLO[®] - Nevada immediately prior to the transaction. Additionally, shareholders of PAPA BELLO[®] – Florida returned 66,401 shares of common stock to PAPA BELLO[®] Florida in exchange for the common stock of its subsidiary, Fox River Graphics. The 6,401 shares of common stock returned were subsequently cancelled.

As a result of the Agreement, the shareholders of Papa Bello - Nevada acquired approximately 79.7% of the outstanding post-transaction shares of Papa Bello – Florida. PAPA BELLO[®] - Nevada has been deemed the accounting acquirer (a reverse acquisition in which PAPA BELLO[®] - Nevada is considered the acquirer for accounting purposes). Accordingly, the historical financial information presented for the periods prior to June 26, 2008 is that of Papa

Bello - Nevada. The results of operations of PAPA BELLO® - Florida have been included with the results of operations of PAPA BELLO® - Nevada in the accompanying financial statements from the date of acquisition.

References to Papa Bello – Florida and Papa Bello – Nevada as consolidated throughout these Notes to Consolidated Financial Statements are made using the first person notations of “we,” “us” and “our”, as well as “the Company”.

The Company owns a master sublease with Wal-Mart® to place Papa Bello Pizza stores in Wal-Mart® stores. The Company operates several pizza stores and sells franchises.

The Company’s restaurant portfolio for the two periods of 2011 and 2010 consists of the following:

December 31	2011	2010
Company-operated	7	5
Franchised and licensed	8	7
Total	15	12

1. Business Condition

The Company has generated insufficient revenue during the periods ended December 31, 2011, and 2010 and as a result has accumulated deficits, and negative cash flows from operations. Accordingly, the Company’s ability to continue operations and to accomplish its business strategy is dependent upon its ability to obtain additional debt, or equity financing.

During 2012, the Company will continue to aggressively market its products and services, in order to realize profitable operations.

i. Trends, events or uncertainties that have, or are reasonably likely to have a material impact on the issuer's short-term or long-term liquidity;

- a. Though the company saw year to year increases in revenue in prior years, revenue declined in 2011 relative to 2010, and is reflected in the overall general decrease of operating income across all of our operating regions.

This is primarily a function of a current and on-going general economic downturn, coupled with an uncertain economic climate, which manifests with varying impacts across our geographic service areas and is not specific to our operations, but has affected the industry as a whole.

ii. Internal and external sources of liquidity;

The Issuer has several sources of liquidity to ensure the solvency of its operations during the next fiscal year and to implement its strategic plan. Significantly lower operating losses in fiscal 2011, vs. fiscal 2010 permit the company to leverage existing liquidity and liquidity from line of credit and shareholder equity to enable the realization of the strategic Franchise plan, as well as the tactical management and operations plan(s) of cost containment and reduction.

- a. The Company had available and utilized several sources of liquidity during fiscal 2011:

i. Revenue from restaurant site operations:

The company has reduced net operating loss from 2010 to 2011 by 71%. This improvement required less external capital to cover operating short falls. The Company expects to continue to improve and believes that the cross over to net operating profit is within reach.

ii. Line of Credit

The Issuer ended 2010 with a line of credit outstanding of \$83k, and saw an overall reduction at the end of fiscal 2011 in the use of line of credit, ending with a balance of \$75k.

This reduction is in line with management's overall success in reducing operating income losses year over year from 2010 to 2011.

The Issuer will maintain its line of credit to ensure sufficient capital and liquidity to ensure realization of the strategic growth plan.

vi. Paid in Capital

During fiscal 2010, the Issuer received an additional \$8.95m in paid in capital for common stock equity, while fiscal 2011 saw a decrease in paid in capital to \$9.58m for the fiscal period.

iii. Material commitments for capital expenditures and the expected sources of funds for such expenditures.

The company currently has no material commitments beyond those stated in the form of current leases, and obligations.

iv. Known trends, events or uncertainties that have had, or that are reasonably expected to have, a material impact on the net sales or revenues or income from continuing operations.

Though the company saw year to year increases in revenue in prior years, revenue declined in 2011 relative to 2010, and is reflected in the overall general decrease of operating income across all of our operating regions.

This is primarily a function of a current and on-going general economic downturn, coupled with an uncertain economic climate, which manifests with varying impacts across our geographic service areas, (Missouri, Tennessee, Oklahoma, Ohio, S. Carolina, Alabama, Iowa, Michigan, Minnesota, Indiana, Nebraska, Wisconsin) impacting short term operating liquidity, necessitating external sources of cash for continuing operations in certain markets. The company plans to use the current strategy of equity or leverage funding, or both to provide for adequate capitalized of the operating units to guide growth and profitability goals during the coming fiscal 2012.

Though not uniformly distributed, the company saw an overall decline of sales across both corporate, as well as Franchise operated restaurants.

A fixed cost basis for facilities and non-labor/non inventory overhead in the form of fixed leases and utility costs coupled with an increasing cost for inventory, supplies and labor, is working to narrow margins at both the operating and net profit measures.

We are not passing all increases to our customers, as the industry space is very price competitive. The company is continually evaluating products and product lines to ensure the proper mix of products to attract customers and ensure profitable operations.

Stabilization of the general economic climate, as well as flattening unemployment figures, will combine to raise discretionary consumer spending, resulting in a return to more frequent prepared foods purchases in our markets.

v. **Significant elements of income or loss that do not arise from the issuers continuing operations.**

The Company does not have any significant elements of income or loss that do not arise from the issuers continuing operations.

vi. Operating losses from continuing operations saw significant improvements from 2010 to 2011, where management reduced a 2010 \$455k loss to a \$131k loss for 2011.

Though the Issuer's overall net loss from operations increased significantly from 2010 to 2011 it is primarily attributable to the shedding of certain equipment inventories and restaurant assets, including the standalone restaurant operation. The associated shut down, as well as certain operating costs and capital expenses which are non-recoverable represents approximately \$1.3 mil.

The increase in overall net loss represents a one-time event in so far as all of our operations now meet the corporate strategy of franchise and embedded store operations.

vii. **Any seasonal aspects that had a material effect on the financial condition or results of operation.**

The Issuers business operations are generally not coupled to, or unduly subject to, seasonal events or fluctuations.

2. **Interim Periods.**

Other than the changes and effects discussed in the MD&A section Item XVI-B, no material changes in financial condition and results of operations are present since the end of the last fiscal year and for the comparable interim period in the preceding year. The issuer is currently beginning evaluation of Q1 2012 preliminary data to assess the effect of current fiscal strategies.

C. **Off-Balance Sheet Arrangements.**

1. The Issuer currently has no material off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the issuer's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

2. The Issuer currently has no material obligation under a guarantee contract that has any of the characteristics identified in paragraph 3 of FASB Interpretation No. 45, Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others (November 2002) ("FIN 45"), as may be modified or supplemented, and that is not excluded from the initial recognition and measurement provisions of FIN 45 pursuant to paragraphs 6 or 7 of that Interpretation;
 - i. The Issuer currently has no material retained or contingent interest in assets transferred to an unconsolidated entity or similar arrangement that serves as credit, liquidity or market risk support to such entity for such assets;
 - ii. The Issuer currently has no material obligation, including a contingent obligation, under a contract that would be accounted for as a derivative instrument.
 - iii. The Issuer currently does not have any material obligation, including a contingent obligation, arising out of a variable interest (as referenced in FASB Interpretation No. 46, Consolidation of Variable Interest Entities (January 2003), as may be modified or supplemented) in an unconsolidated entity that is held by, and material to, the issuer, where such entity provides financing, liquidity, market risk or credit risk support to, or engages in leasing, hedging or research and development services with, the issuer.

Part E Issuance History

Item XVII List of securities offerings and shares issued for services in the past two years.

The Issuer has not issued securities offerings or shares for services in the last two years.

Part F. Exhibits

Item XVIII Material Contracts

A. Material Leases and agreements.

- 1) There are no extant contracts to which directors, officers, promoters, voting trustees, security holders named in the disclosure statement, or the Designated Advisor for Disclosure are parties other than contracts involving only the purchase or sale of current assets having a determinable market price, at such market price;
- 2) Any material lease under which a part of the property described in the disclosure statement is held by the issuer.

The following lease data is incorporated by reference from previously submitted document(s) available through the OTC Disclosure and News Service under the "*Annual Report – Audited financial Statements for the Years Ended December 31, 2008, 2007 and for the period July 13, 2006 to December 31, 2006,*" and the "*Initial Company Information and disclosure statement,*" located at the following URL within the OTC website. The original documents are located and available as follows:

The following listed documents are incorporated by reference to the original submitted documents. (See Item XVIII paragraph 1; sub-paragraph (i). for specific location(s))

- a. *Annual Report – Audited financial Statements for the Years Ended December 31, 2008, 2007 and for the period July 13, 2006 to December 31, page24, Part F, Item XVIII, Material Contracts.*
- b. *“Initial Company Information and disclosure statement”, page24, Part F, Item XVIII, Material Contracts.*

(i) **The original document is located and available as follows:**

Documents incorporated by reference to uploaded and submitted filings and compliance documents are found at the following web site and URL:

Where: <http://www.otcmarkets.com> locates the primary website repository document level,

While: <http://www.otcmarkets.com/stock/PAPA>, is the Issuer’s stock symbol specific page and data/report listings page.

And: <http://www.otcmarkets.com/stock/PAPA/financials> represents the specific location of required filings and referenced documents.

- B. Except as noted in this paragraph, subparagraph 1, no management contract nor compensatory plan, contract or arrangement, including but not limited to plans relating to options, warrants or rights, pension, retirement or deferred compensation or bonus, incentive or profit sharing (or if not set forth in any formal document, a written description thereof) in which any director or any executive officer of the issuer participates shall be deemed material and shall be included; and any other management contract or any other compensatory plan, contract, or arrangement in which any other executive officer of the issuer participates is extant at this time.

1. **Employment Agreement(s)**

The Issuer currently does not have any active employment agreements.

Item XIX Articles of Incorporation and Bylaws.

The following incorporation and restated bylaw data is incorporated by reference from previously submitted document(s) available through the OTC Disclosure and News Service under the “*Initial Company Information and disclosure statement*,” *Supplemental Information Certification of Articles of Amendment and Restatement*,” and “*Supplemental Information – Amended and Restated Bylaws*,” located at the following URL within the OTC website. The original documents are located and available as follows:

1. The following listed documents are incorporated by reference to the original submitted documents. (See Item XIX paragraph 1; sub-paragraph (i). for specific location(s))
 - a. “*Initial Company Information and disclosure statement*,” page24, Part F, Item XVX Articles of Incorporation and Bylaws.

- b. *“Supplemental Information Certification of Articles of Amendment and Restatement,”* page 1, titled “Attachment E PAPA BELLO[®] Enterprises, Inc. Articles of Amendment and Restatement,”
- c. *“Supplemental Information – Amended and Restated Bylaws,”* page 1 titled “Attachment F PAPA BELLO[®] Enterprises, Inc. Amended and Restated Bylaws.”

(i) **The original document is located and available as follows:**

Documents incorporated by reference to uploaded and submitted filings and compliance documents are found at the following web site and URL:

Where: <http://www.otcmarkets.com> locates the primary website repository document level,

While: <http://www.otcmarkets.com/stock/PAPA>, is the Issuer’s stock symbol specific page and data/report listings page.

And: <http://www.otcmarkets.com/stock/PAPA/financials> represents the specific location of required filings and referenced documents.

Item XX Purchases of Equity Securities by the Issuer and Affiliated Purchasers.

Except as set forth in Part C, Item VIII, the Issuer has not purchased any equity securities of the Issuer.

This space intentionally left blank.

Item XXI Issuer's Certifications

I, Jim Wheeler, certify that:

1. I have reviewed the requested additional, amended and clarifying augmentation of information to the original filing of Dec 31, 2011, as well as the original filing of December 31, 2011 (contained in its entirety within) contained herein and originally dated December 31, 201, known as the; "Initial Company Information and Disclosure Statement" of PAPA BELLO[®] Enterprises, Inc., a Florida corporation.
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Dated on this day, March 29, 2012; on behalf of, and acting within, the full capacity of a duly authorized officer of PAPA BELLO[®] ENTERPRISES, INC.

By: _____

Jim Wheeler, CEO

PAPA BELLO[®] Enterprises, Inc.