FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

[x] Quarterly report pursuant to Section 13 or 15(d) of the Securities Act of 1934 for the quarterly period ended JUNE 27, 1999.

[ ] Transition report pursuant to Section 13 or 15(d) of the Securities Act of 1934 for the transition period from ____________________to____________________.

Commission File Number 1-3189

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

DELAWARE	11-3166443
(State or other jurisdiction of incorporation or organization)	(IRS employer identification number)

1400 OLD COUNTRY ROAD, WESTBURY, NEW YORK
11590 (Address of principal executive offices
including zip code)

(516) 338-8500
(Registrant's telephone number, including area code)

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

At June 27, 1999, an aggregate of 4,722,216 shares of the registrant's common stock, par value of $.01, were outstanding.

NATHAN'S FAMOUS, INC. AND SUBSIDIARIES

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PART I. FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements

NATHAN'S FAMOUS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except share amounts)

	June 27, 1999 (Unaudited)	March 28, 1999
Current assets:		
Cash and cash equivalents including restricted cash of $83 and $83, respectively	$ 1,600	$ 2,165
Marketable investment securities	3,296	3,267
Franchise and other receivables, net	1,808	1,578
Inventory	422	374
Prepaid expenses and other current assets	267	411
Deferred income taxes	622	622
Total current assets	8,015	8,417
Investment in unconsolidated affiliate	4,461	4,441
Property and equipment, net	6,166	6,293
Intangible assets, net	12,634	10,882
Deferred income taxes	892	892
Other assets, net	190	325
	$ 32,358	$ 31,250
Current liabilities:		
Accounts payable	$ 1,157	$ 1,053
Accrued expenses and other current liabilities	4,054	3,434
Deferred franchise fees	136	222
Total current liabilities	5,347	4,709
Other liabilities	194	193
Total liabilities	5,541	4,902
Stockholders' equity:		
Common stock, $.01 par value - 20,000,000 shares authorized, 4,722,216 issued and outstanding	47	47
Additional paid-in-capital	32,423	32,423
Accumulated deficit	(5,653)	(6,122)
Total stockholders' equity	26,817	26,348
	$ 32,358	$ 31,250

See accompanying notes to consolidated financial statements.

NATHAN'S FAMOUS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
THIRTEEN WEEKS ENDED JUNE 27, 1999 AND JUNE 28, 1998
(In thousands, except per share amounts)
(Unaudited)

	1999	1998
Sales	$6,608	$6,568
Franchise fees and royalties	963	738
License royalties	406	381
Investment and other income	97	134
Total revenues	8,074	7,821
Costs and expenses:		
Cost of sales	4,080	4,008
Restaurant operating expenses	1,529	1,451
Depreciation and amortization	259	254
Amortization of intangible assets	113	96
General and administrative	1,283	1,248
Interest expense	--	1
Total costs and expenses	7,264	7,058
Earnings before income taxes	810	763
Provision for income taxes	341	189
Net earnings	$ 469	$ 574
PER SHARE INFORMATION		
Net earnings per share		
Basic	$ 0.10	$ 0.12
Diluted	$ 0.10	$ 0.12
Shares used in computing net income		
Basic	4,722	4,722
Diluted	4,744	4,762

See accompanying notes to consolidated financial statements.

NATHAN'S FAMOUS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
THIRTEEN WEEKS ENDED JUNE 27, 1999
(In thousands, except share amounts)
(Unaudited)

	Common Shares	Common Stock	Additional Paid in-Capital	Accum-ulated Deficit	Total Stock-holders' Equity
Balance, March 28, 1999	4,722,216	$ 47	$ 32,423	$ (6,122)	$ 26,348
Net earnings				469	469
Balance, June 27, 1999	4,722,216	$ 47	$ 32,423	$ (5,653)	$ 26,817

See accompanying notes to consolidated financial statements.

NATHAN'S FAMOUS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THIRTEEN WEEKS ENDED JUNE 27, 1999 AND JUNE 28, 1998
(In thousands)
(Unaudited)

	1999	1998
Cash flows from operating activities:		
Net earnings	$ 469	$ 574
Adjustments to reconcile net earnings to net cash provided by / (used in) operating activities:		
Depreciation	259	254
Amortization of intangible assets	113	96
Provision for doubtful accounts	18	15
Amortization of deferred compensation	--	12
Deferred income taxes	--	(44)
Changes in assets and liabilities:		
Marketable investment securities	(29)	286
Franchise and other receivables	(248)	(666)
Inventory	(48)	4
Prepaid and other current assets	144	232
Accounts payable and accrued expenses	724	(714)
Deferred franchise fees	(86)	60
Other assets	135	(2)
Other non current liabilities	1	30
Net cash provided by operating activities	1,452	137
Cash flows from investing activities:		
Purchase of property and equipment	(148)	(336)
Investment in wholly owned subsidiary	(1,849)	--
Investment in unconsolidated affiliate	(20)	--
Net cash used in investing activities	(2,017)	--
Cash flows from financing activities:		
Principal repayment of obligations under capital leases	--	(2)
Net cash used in financing activities	--	(2)
Net decrease in cash and cash equivalents	(565)	(201)
Cash and cash equivalents, beginning of period	2,165	1306
Cash and cash equivalents, end of period	$ 1,600	$ 1,105
Cash paid during the period for:		
Interest	$ --	$ 1
Income taxes	102	263

See accompanying notes to consolidated financial statements.

NATHAN'S FAMOUS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 27, 1999

NOTE A - BASIS OF PRESENTATION

The accompanying consolidated financial statements of Nathan's Famous, Inc. and subsidiaries (the "Company") for the thirteen week periods ended June 27, 1999 and June 28, 1998 have been prepared in accordance with generally accepted accounting principles. The unaudited financial statements include all adjustments (consisting of normal recurring adjustments) which, in the opinion of management, were necessary for a fair presentation of financial condition, results of operations and cash flows for such periods presented. However, these results are not necessarily indicative of results for any other interim period or the full year.

Certain information and footnote disclosures normally included in financial statements in accordance with generally accepted accounting principles have been omitted pursuant to the requirements of the Securities and Exchange Commission. Management believes that the disclosures included in the accompanying interim financial statements and footnotes are adequate to make the information not misleading, but should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended March 28, 1999.

NOTE B - NF ROASTERS CORP. ACQUISITION

On February 19, 1999, the U. S. Bankruptcy Court for the Middle District of North Carolina, Durham Division, confirmed the Joint Plan of Reorganization of the Official Committee of Franchisees of Roasters Corp. and Roasters Franchise Corp., operators of Kenny Rogers Roasters Restaurants. Under the joint plan of reorganization, on April 1, 1999, Nathan's acquired the intellectual property rights, including trademarks, recipes and franchise agreements of Roasters Corp. and Roasters Franchise Corp. for $1,250,000 in cash plus related expenses, which was paid out of Nathans' working capital. NF Roasters Corp., a wholly owned subsidiary, was created for the purpose of acquiring these assets. Results of operations are included in these consolidated financial statements as of the date of acquisition. No Company-owned restaurants were acquired in this transaction.

NOTE C - EARNINGS PER SHARE

The following chart provides a reconciliation of information used in calculating the per share amounts for the thirteen week periods ended June 27, 1999 and June 28, 1998, respectively.

	Net Income		Number of Shares		Net Income Per Share	
	1999	1998	1999	1998	1999	1998
Basic EPS						
Basic calculation	$ 469	$ 574	4,722	4,722	$ .10	$ .12
Effect of dilutive employee stock options and warrants	--	--	22	40	--	--
Diluted EPS						
Diluted calculation	$ 469	$ 574	4,744	4,762	$ .10	$ .12

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

INTRODUCTION

On November 25, 1998, Nathan's acquired 8,121,000 shares, or approximately 29.9% of the outstanding common stock, of Miami Subs Corporation for $4,200,000, excluding transaction costs, and entered into a non-binding letter of intent which contemplated the acquisition of the remaining outstanding shares of Miami Subs. After giving effect to Miami Subs one-for-four reverse stock split in January 1999, Nathan's now owns 2,030,250 shares of Miami Subs common stock. On January 15, 1999, Nathan's and Miami Subs entered into a definitive merger agreement under which Nathan's is expected to acquire the remaining outstanding shares of Miami Subs in exchange for approximately 2,319,000 shares of Nathan's common stock and warrants to acquire approximately 580,000 shares of Nathan's common stock at a price of $6.00 per share. The merger is subject to certain conditions, including approval by a majority of the stockholders of Nathan's and Miami Subs. On June 30, 1999, Nathan's and Miami Subs successfully completed their due diligence.

RESULTS OF OPERATIONS

Thirteen weeks ended June 27, 1999 compared to June 28, 1998

Revenues

Total sales increased $40,000 to $6,608,000 for the thirteen weeks ended June 27, 1999 ("first quarter fiscal 2000") from $6,568,000 for the thirteen weeks ended June 28, 1998 ("first quarter fiscal 1999"). Company-owned restaurant sales decreased 4.1% or $248,000 to $5,744,000 from $5,992,000. Restaurant sales declined because two Company-owned restaurants were closed during fiscal 1999 due to the expiration of the leases for the locations.. These two stores generated sales and profits of $460,000 and $105,000, respectively, during the first quarter of fiscal 1999. At June 27, 1999 there were 25 company-owned units as compared to 27 units at June 28, 1998. Comparable unit sales (units operating for 18 months or longer as of the beginning of the fiscal year) increased 3.6% in the first quarter fiscal 2000 versus the first quarter fiscal 1999. The Company continues to emphasize local store marketing activities, new product introductions and value pricing strategies. These activities are being complimented by a regional newsprint campaign during the summer of 1999. Sales from the Branded Product Program increased by 50.0% to $864,000 for the first quarter fiscal 2000 as compared to sales of $576,000 in the first quarter fiscal 1999.

Franchise fees and royalties increased by $225,000 or 30.5% to $963,000 in the first quarter fiscal 2000 compared to $738,000 in the first quarter fiscal 1999. Franchise royalties increased by $148,000 to $786,000 in the first quarter fiscal 2000 as compared to $638,000 in the first quarter fiscal 1999. Royalties earned from the recently acquired Kenny Rogers Roasters restaurant system were approximately $144,000 in the first quarter fiscal 2000. Franchise restaurant sales of the Nathan's brand, were $15,538,000 in the first quarter fiscal 2000 as compared to $15,598,000 in the first quarter fiscal 1999. At June 27, 1999 there were 163 franchised or licensed restaurants within the Nathan's franchise system as compared to 158 at June 28, 1998. Franchise fee income was $177,000 in the first quarter fiscal 2000 as compared to $100,000 in the first quarter fiscal 1999.This increase was primarily attributable to the difference between expired franchise fees recognized between the two years. During the first quarter fiscal 2000, 5 new Nathan's franchised or licensed units opened.

License royalties were $406,000 in the first quarter fiscal 2000 as compared to $381,000 in the first quarter fiscal 1999.

Investment and other income was $97,000 in the first quarter fiscal 2000 versus $134,000 in the first quarter fiscal 1999. Approximately $50,000 of the decrease resulted from lower earnings from the reduced face value of marketable investment securities and the difference in performance of the financial markets between the two years.

Costs and Expenses

Cost of sales increased by $72,000 from $4,008,000 in the first quarter fiscal 1999 to $4,080,000 in the first quarter fiscal 2000. Higher costs were incurred due to the growth of the Branded Product Program and the increase in comparable store sales which were offset by the closure of two Company-owned restaurants. The cost of restaurant sales was 58.1% of restaurant sales in the first quarter fiscal 2000 as compared to 59.6% of restaurant sales in the first quarter fiscal 1999. The decrease, as a percentage of restaurant sales, is due primarily to, increases in the Company's average check over the prior year without proportionate percentage increases in direct costs resulting from the Company's promotional activities. The Company continues to seek to operate more efficiently as a means to minimize the margin pressures which have become an integral part of competing in the current value conscious marketplace.

Restaurant operating expenses increased by $78,000 from $1,451,000 in the first quarter fiscal 1999 to $1,529,000 in the first quarter fiscal 2000. This increase is primarily attributed to higher store marketing expenses of $64,000, higher occupancy costs of $41,000 at a restaurant that was renovated last year and a fiscal 1999 property tax recovery of $30,000. Restaurant operating costs for the two closed restaurants were $78,000 for the first quarter of fiscal 1999.

Depreciation and amortization increased by $5,000 or 2.0% from $254,000 in the first quarter fiscal 1999 to $259,000 in the first quarter fiscal 2000. Amortization of intangibles increased by $17,000 or 17.7% from $96,000 in the first quarter fiscal 1999 to $113,000 in the first quarter fiscal 2000. This increase is due to the amortization, based upon the preliminary purchase price allocation, of the Kenny Rogers Roasters intellectual property acquired on April 1, 1999.

General and administrative expenses increased by $35,000 or 2.8% to $1,283,000 in the first quarter fiscal 2000 as compared to $1,248,000 in the first quarter fiscal 1999. Approximately $98,000 of incremental expenses were incurred in the first quarter fiscal 2000 associated with Kenny Rogers Roasters. The Company plans to increase quarterly spending throughout the balance of the year in connection with research & development of the Kenny Rogers Brand, although no assurances can be given to this effect. General and administrative expenses, excluding Kenny Rogers Roasters, decreased by $63,000 or 5.1% primarily due to lower spending in connection with international development of approximately $25,000, reduced additional compensation of approximately $22,000 and lower corporate insurance of approximately $9,000.

Income Tax Provision

In the first quarter fiscal 2000, the income tax provision was $341,000 or 42.1% of earnings before income taxes as compared to $189,000 or 24.8% of earnings before income taxes in the first quarter fiscal 1999. The income tax provision in the first quarter fiscal 1999 included a reduction to the Company's deferred tax valuation allowance of $136,000. The first quarter fiscal 1999 provision before adjustment for the valuation allowance was $325,000 or 42.5%.

Management of the Company had determined that, more likely than not, a portion of its previously-reserved deferred tax assets would be realized and, accordingly, initially reduced the related valuation allowance in fiscal 1998. Throughout fiscal 1999, management continued to monitor the likelihood of the realizability of its deferred tax asset, and in the fourth quarter fiscal 1999, fully recognized, based upon the current facts and circumstances, adjustment to its deferred tax valuation allowance in accordance with Financial Accounting Standards Board Statement No. 109 "Accounting for Income Taxes".

LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents at June 27, 1999 aggregated $1,600,000, decreasing by $565,000 during the fiscal 2000 period. At June 27, 1999, marketable investment securities totalled $3,296,000 and net working capital decreased to $2,668,000 from $3,708,000 at March 28, 1999.

Cash provided by operations of $1,452,000 in the fiscal 2000 period is primarily attributable to net income of $469,000, non-cash charges of $390,000, including depreciation and amortization of $372,000, decreases in prepaid and other current assets of $144,000, a decrease in other assets of $135,000, increases in accounts payable and accrued expenses of $724,000, an increase in franchise and other receivables of $248,000 and a decrease in deferred franchise fees of $86,000.

Cash used in investing activities of $2,017,000 includes $1,849,000 for the acquisition of the intellectual property of the Kenny Rogers Roasters restaurant system and $168,000 primarily relating to capital improvements of the Company-owned restaurants and other fixed asset additions.

Management believes that available cash, marketable investment securities, and internally generated funds should provide sufficient capital for its planned operations and expansion program through fiscal 2000. The Company also maintains a $5,000,000 uncommitted bank line of credit. The Company has not borrowed any funds to date under this line of credit.

YEAR 2000

Nathan's performed an internal evaluation of its computer systems and determined that its existing computer systems would require a significant amount of effort and cost in order to make them Year 2000 compliant. Accordingly, in order to meet its growing business requirements and assure Year 2000 compliance, Nathan's decided to replace its existing accounting systems and modify its other technology systems, other than its point of sale system as discussed below. In July 1998, Nathan's entered into a contract to license Lawson Accounting software which has been certified to be Year 2000 compliant. Nathan's successfully completed the conversion of its financial systems in January 1999 and the remaining aspects of the complete Lawson implementation, were completed in June 1999. With the implementation of this new system, all of Nathan's major financial systems have been certified to be Year 2000 complaint; however, since Nathan's has not conducted its own testing, no assurance can be given in this regard. Nathan's has spent approximately $349,000 to date and estimates that the total cost associated with ensuring compliance of its internal systems to be approximately $375,000. Nathan's doesn't expect the final cost to vary materially; however, there can be no assurance to this effect.

Nathan's has addressed the Year 2000 issue with its Point of Sale provider and has received assurance that their hardware is Year 2000 compliant and that the software corrections already installed will make the POS systems Year 2000 compliant; however, since Nathan's has not conducted its own testing, no assurance can be given in this regard. Nathan's has notified its franchisees, in the most recent monthly franchise mailing, that they should contact their Point of Sale provider to be sure that they have received and installed the correction software mentioned above.

Nathan's has received assurance from its financial institutions that their systems are or will be Year 2000 compliant before the end of the year. Nathan's has begun to contact key suppliers and distributors about their state of readiness and is seeking their assurances with respect to their Year 2000 compliance and contingency plans. No assurances can be given that such suppliers and distributors will in fact be Year 2000 compliant. Nathan's believes that its primary Year 2000 risk relating to its operations is centered upon the ability of its suppliers and distributors to continue to receive Nathan's orders by telephone and have the product delivered by truck. Nathan's expects to conclude evaluating this Year 2000 risk by the end of September 1999 and thereafter will develop any necessary contingency plans to assure continued supply of products to its restaurants. Nathan's cannot predict the effect of the Year 2000 problem on the vendors and others with which Nathan's transacts business and there can be no assurance that the effect of the Year 2000 problem on the entities Nathan's does business with will not have a material adverse effect on Nathan's business, operating results and financial position.

FORWARD LOOKING STATEMENT

Certain statements contained in this report are forward-looking statements which are subject to a number of known and unknown risks and uncertainties that could cause the Company's actual results and performance to differ materially from those described or implied in the forward looking statements. These risks and uncertainties, many of which are not within the Company's control, include, but are not limited to economic, weather, legislative and business conditions; the availability of suitable restaurant sites on reasonable rental terms; changes in consumer tastes; ability to continue to attract franchisees; the ability to purchase our primary food and paper products at reasonable prices; no material increases in the minimum wage; and the Company's ability to attract competent restaurant, and managerial personnel.

PART II. OTHER INFORMATION

ITEM 6: EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

Assignment and Assumption of "Kenny Rogers Roaster" Franchise Agreements, Master Development Agreements, and Intellectual Property.

(b) No reports on Form 8-K were filed during the quarter ended June 27, 1999.

SIGNATURES

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

NATHAN'S FAMOUS, INC.

Date: August 9, 1999 By: /s/ Wayne Norbitz

Wayne Norbitz
President and Chief Operating Officer
(Principal Executive Officer)

Date: August 9, 1999 By: /s/ Ronald G. DeVos

Ronald G. DeVos
Vice President - Finance
and Chief Financial Officer
(Principal Financial and Accounting Officer)

ASSIGNMENT AND ASSUMPTION OF "KENNY ROGERS ROASTERS" FRANCHISE AGREEMENTS, MASTER DEVELOPMENT AGREEMENTS, AND INTELLECTUAL PROPERTY

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the "AGREEMENT") is made and entered into as of this 31st day of March 1999 (the "EFFECTIVE DATE"), by and among ROASTERS CORP. and ROASTERS FRANCHISE CORP., Florida corporations, with their principal office located at 6600 N. Andrews Drive, Suite 160, Ft. Lauderdale, Florida 33309 (collectively the "DEBTORS"), and NF-ROASTERS CORPORATION, a Delaware corporation with its principal office located at 1400 Old Country Road, Westbury, New York 11590 (the "COMPANY").

R E C I T A L S :

A. WHEREAS, On March 24, 1998, Roasters Corp. filed a voluntary petition under Chapter 11 of the Bankruptcy Code, and its wholly owned subsidiary, Roasters Franchise Corp., filed a voluntary petition under Chapter 11 of the Bankruptcy Code on May 6, 1998. The petitions were filed in the United States Bankruptcy Court for the Middle District of North Carolina (the "BANKRUPTCY COURT").

B. WHEREAS, On March 3, 1999, the Bankruptcy Court entered an order confirming the First Amended Franchisee Plan of Reorganization dated January 15, 1999, as amended (the "PLAN"), and such order is now a final order which has not been stayed and is no longer subject to review, reversal, modification or amendment by appeal (the "CONFIRMATION ORDER").

C. WHEREAS, Pursuant to Section 3.5(b) of the Plan and paragraph 22 of the Confirmation Order, the Debtors are authorized to assume and assign to the Company the Kenny Rogers Roasters Franchise Agreements and Master Development Agreements for the franchisees operating "Kenny Rogers Roasters" franchised restaurants at the locations listed in Exhibit A attached hereto and incorporated herein by reference (collectively, the "FRANCHISE AGREEMENTS").

D. WHEREAS, Each franchisee under the Franchise Agreements has heretofore executed a Release in which the franchisee has: (i) consented to the assumption and assignment of its respective franchise agreement; (ii) waived any claims which such franchisee may have against the Debtors or the consolidated estate arising in, arising under or related to its respective franchise agreement; (iii) acknowledged that any default under the Franchise Agreement has been cured; (iv) waived any requirement that the Debtors or the Company provide adequate assurance of future performance under the Franchise Agreement; and (v) consented to the assumption and assignment of its franchise agreement to the Company.

E. WHEREAS, Each franchisee listed in Exhibit A has heretofore executed a Uniform Amendment (or an "Amended and Restated Franchise Agreement") for each of the franchised restaurants listed in Exhibit A

F. WHEREAS, On March 3, 1999, the Bankruptcy Court appointed Mark Gillis as Chapter 11 Liquidating Trustee (the "TRUSTEE") for the purpose of facilitating the implementation and consummation of the Plan, and such Trustee is now duly qualified and acting in such capacity.

NOW, THEREFORE, for good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties agree as follows:

1. Assumption. The Debtors, in accordance with and pursuant to Section 3.5(b) of the Plan and the Releases heretofore executed by the respective franchisees, hereby assume the Franchise Agreements.

2. Assignment of the Franchise Agreements. The Debtors, for good and valuable consideration, and subject to the terms of the Plan and Confirmation Order, do hereby assign and transfer to the Company all rights of the Debtors under the Franchise Agreements, excluding and reserving therefrom the following: (i) the right of the Debtors to receive and collect from the franchisees the amount of post-petition franchise fees and royalties (as defined in the Plan) as determined by the Bankruptcy Court or agreed upon by the parties as remaining due and owing the Debtors; and (ii) the right to collect pre-petition franchise fees and royalty fees owed to the Debtors by each such franchisee if the franchisee fails to timely pay all post-petition franchise or royalty fees as provided for under the Plan.

3. Assignment of the Intellectual Property. The Debtors, for good and valuable consideration, and subject to the terms of the Plan and Confirmation Order, do hereby assign and transfer to the Company all of the Debtors' intellectual property, including without limitation any and all:

a. common law and unregistered trademarks and service marks (as well as the goodwill associated with said trademarks and service marks)

b. trademark and service mark registrations (including but not limited to the registrations listed in Exhibit B to this Agreement);

c. copyrights,

d. trade secrets,

e. patents, patent applications, and patent applications in process,

f. Internet domain names and Internet web pages,

g. recipes,

h. manuals, and

i. advertising (whether in preparation, complete, or held for the Debtors by one or more vendors, such as advertising agencies, creative agencies, or other parties).

4. Assignment of the Advertising Fund. The Debtors, for good and valuable consideration, and subject to the terms of the Plan and Confirmation Order:

a. Shall within ten (10) business days pay to the Company the sum of Ninety Thousand Seven Hundred and Eighteen Dollars and Four Cents ($90,718.04), representing the sum of:

i. The post-petition payments of advertising fund fees already made to the Debtors, less amounts expended for such purposes; and

ii. All the funds on deposit in the advertising fund account as of March 24, 1998, less pro-rata portions of the fees, costs, or distributions made by Barnett Bank from the aggregate funds in the Debtors' garnish accounts; and

b. Hereby assign and shall promptly upon receipt transfer to the Company all funds hereafter collected from franchisees and other parties for, or on account of, the advertising fund is, and shall be, Company's property, and the Debtors shall promptly remit such collections to the Company for deposit into the Kenny Rogers Roasters advertising fund. Debtors further authorize the Company to collect overdue advertising fund contributions and other overdue sums to be deposited into the Kenny Rogers Roasters advertising fund (accrued for periods prior to today's date), subject only to the requirement that the Company notify the Debtors in writing that such collections have been made.

5. Assignment of the Kenny Rogers License Agreement. The Debtors do hereby assume and, for good and valuable consideration and subject to the terms of the Plan and Confirmation Order, do hereby assign and transfer to the Company, all of the Debtors' right, title, and interest in and to that certain license agreement dated April 5, 1993, by and between Mr. Kenny Rogers, as licensor, and Debtors' predecessor (Roasters Ltd.), as licensee.

6. Additional Documents. The Debtors agree that they shall, upon reasonable request by the Company, execute such documents as the Company may deem reasonably necessary in order to implement the terms of this Agreement.

7. Payment. On or before April 1, 1999, the Company shall remit to the Debtors the sum of One Million Two Hundred and Fifty Thousand Dollars ($1,250,000).

8. Performance of Duties. The Company hereby assumes and agrees to perform all of the Debtors' obligations under the Franchise Agreements as of the Effective Date and shall indemnify and hold harmless the Debtors, from and against any claim or demand made thereunder arising out of the Company's performance of, or failure to perform, on or after the Effective Date.

9. Counterparts and Faxed Signatures. This Agreement may be signed in counterparts, and the parties agree that their signatures may be exchanged by fax, and that a copy of this Agreement with such signatures shall be deemed an original copy hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

ROASTERS CORP.

By: /s/ Mark Gillis
Mark Gillis, Chapter 11 Liquidating Trustee

ROASTERS FRANCHISE CORP.

By: /s/ Mark Gillis
Mark Gillis, Chapter 11 Liquidating Trustee

NF ROASTERS CORPORATION

By: /s/ Richard E. Buckley

Name: Richard E. Buckley

Title: President

EXHIBIT A

FRANCHISEE	STATE	CITY
FEW, LLC	AK	Anchorage
Best Roasters, Inc., The	AL	Hoover
Carter Investment Co.	AL	Mobile
Carter Investment Co.	AL	Montgomery
Valley Roasters II, Inc. of CA	CA	Burbank, N. San Fernando Rd.
Valley Roasters III, Inc.	CA	Burbank, West Alameda Ave.
KR Roasters LP (Montelone Co.)	CA	Corona
Shin, Jay: Hollywood Roasters, LLC	CA	Hollywood, N. Highland Ave.
Shin, Jay: Lakewood Roasters, LLC	CA	Lakewood, Faculty St.
Soudani, Ahmad	CA	Los Angeles, Wilshire Blvd.
KR Roasters LP (Montelone Co.)	CA	Palm Desert
Shin, Jay: Reseda Roasters LLC	CA	Reseda (Reseda Blvd.)
IFCC, Inc.	CA	Santa Barbara
Shin, Jay: Temple Roasters LLC	CA	Temple, Rosemead Blvd.
Debard , Inc.	CA	West Hills (Vanowen St.)
MSK Enterprises	FL	Pembroke Pines (12630 Pines Blvd.)
MSK Enterprises	FL	Pembroke Pines (184th S.W Pines Blvd.)
Lion's Share Productions, Inc. (Kenny Rogers)	GA	Athens (2440 W. Broad St.)
Idaho Roasters, Inc.	ID	Boise (N. Milwaukee Ave.)
Idaho Roasters, Inc.	ID	Boise (Broadway Ave.)
Gem State Roasters	ID	Idaho Falls
Idaho Roasters, Inc.	ID	Nampa
Midwest Investors Limited Partnership, II	IL	Peoria
Teri Entertainment	IL	Rockford
Midwest Investors Limited Partnership, II	IL	Springfield
JPB Restaurant Concepts, II, Inc.	MD	Bel Air
JPB Restaurant Concepts, V, Inc.	MD	Cockeysville
JPB Restaurant Concepts, III, Inc.	MD	Ellicott
JPB Restaurant Concepts, IV, Inc.	MD	Frederick

FRANCHISEE	STATE	CITY
JPB Restaurant Concepts, I, Inc.	MD	Laurel
JPB Restaurant Concepts, VI, Inc.	MD	Whitemarsh
Donmark, Inc	MI	Flint (Linden Rd,)
Chicken Chateau	MI	Saginaw
Rogers Nevada	NV	Henderson
Rogers Nevada	NV	Las Vegas (Fair Center Pkwy.)
Rogers Nevada	NV	Las Vegas (Rainbow Blvd.)
Rogers Nevada	NV	Las Vegas (Sahara Ave.)
Rogers Nevada	NV	Pahrump
Roasters of Long Island	NY	Commack
Roasters of Long Island	NY	East Meadow
Roasters of Long Island	NY	Huntington Station
Roasters of Long Island	NY	Rockville Center
Roasters of Long Island	NY	Selden
David Vance Group	OH	Akron
Cascade Hospitality, Inc.	OR	Springfield
Utah Roasters	UT	Orem
Utah Roasters	UT	St. George
Fox Valley Roasters, LLC	WI	Appleton (Northland Ave.)
Badger Roasters, LLC	WI	Appleton (W. Wisconsin Ave.)
Wisconsin Roasters, LLC	WI	Milwaukee

5
1,000

3-MOS
MAR-26-2000
MAR-29-1999
JUN-27-1999
1600
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