

Spicy Pickle Announces Closing of Private Financing in the Amount of \$5,992,500
Friday December 14, 4:34 pm ET

Funds Earmarked to Accelerate Growth of Company-Owned Stores

DENVER, CO--(MARKET WIRE)--Dec 14, 2007 -- Spicy Pickle® fast casual restaurants (OTC BB:[SPKL.OB](#) - [News](#)) today announced the closing of a private offering of its securities in the amount of Five Million Nine Hundred Ninety Two Thousand Dollars (\$5,992,500).

Earlier today, Spicy Pickle® completed a private placement of 705 Units, priced at \$8,500 per unit. Net proceeds of approximately \$5.7 million, after commissions and fees, were received by the Company.

Each unit contains one share of convertible preferred, which converts into 10,000 shares of common stock at a fixed conversion price of \$.85 per share. The preferred shares also carry a 5% dividend in the first and second year and a 7.5% dividend in the third year.

In addition, each unit contains 7,500 warrants, which convert into the common stock at \$1.60 per share for a period of five years.

Of the approximately \$6 million raised, \$1,300,000 came from two of Spicy Pickle's® independent members of the board of directors and their immediate family. The remaining funding came from two large institutional investors and several of the early shareholders who had participated in previous rounds of financing. Midtown Partners acted as placement agent for one for the institutional investors.

The proceeds of the offering will be used to rapidly accelerate the development of Company-owned stores along with the continued development of the franchise system. Marc Geman, the CEO of the Company, said: "These funds will kick-off the Company-owned restaurant program under which we will develop, own and operate Spicy Pickle® Restaurants. The Company restaurants will further support the franchise system by adding additional training facilities and focusing on operations and service alongside our multiple unit franchisee owners. Further, the Company restaurants are expected to generate more bottom line revenue to the Company than the current royalty provides from its franchisees. Taken together, the franchise and Company-owned system should set the stage for dramatic growth in the coming years."

The Company will file the complete documents representing the transaction with the SEC.

The securities issued by Spicy Pickle® have not been registered under the Securities Act of 1933 or any state securities laws. Therefore, such securities may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act of 1933 and any applicable state securities laws. This press release does not constitute an offer to sell any securities or a solicitation of an offer to buy any securities.

About Spicy Pickle®:

Founded in 1999, Spicy Pickle® Franchising, Inc. (OTC BB:[SPKL.OB](#) - [News](#)) serves high quality meats and fine artisan breads, baked fresh daily, along with a wide choice of eight different cheeses, twenty-two different toppings, and fourteen proprietary spreads to create healthy and delicious panini and sub sandwiches with flavors from around the world. As a leading "fast-casual" concept, Spicy Pickle® offers menu items that are far beyond traditional fast food -- but without the price point of casual dining. The hallmark of a Spicy Pickle® restaurant is quality, service and an enjoyable atmosphere. The company is headquartered in Denver, Colorado, with franchise locations now open across twelve states and many more in development nationwide. For more about Spicy Pickle®, including franchise information and inquiries, visit <http://www.spicypickle.com>.

About Midtown Partners & Co., LLC

Originally founded in May 2000, Midtown Partners & Co., LLC is an investment bank focused on private placement investment banking opportunities. The investment banking group at Midtown Partners & Co., LLC was founded on the premise that client relationships and industry focus are keys to the success of emerging growth companies. Such companies require investment banking services from a firm with a unique understanding of the marketplace and the nature of these transactions. Midtown Partners was the 5th leading U.S. placement agent in number of closed PIPE transactions for 2006 (source Placementtracker.com). Additional information can be found at <http://www.midtownpartners.com>.

Forward-Looking Statements:

Certain statements in this press release, including statements regarding the number of restaurants we intend to open, are forward-looking statements. We use words such as "anticipate," "believe," "could," "should," "estimate," "expect," "intend," "may," "predict," "project," "target," and similar terms and phrases, including references to assumptions, to identify forward-looking statements. The forward-looking statements in this press release are based on information available to us as of the date any such statements are made and we assume no obligation to update these forward-looking statements. These statements are subject to risks and uncertainties that could cause actual results to differ materially from those described in the statements. These risks and uncertainties include, but are not limited to, the following: factors that could affect our ability to achieve and manage our planned expansion, such as the availability of a sufficient number of suitable new restaurant sites and the availability of qualified franchisees and employees; risks relating to our expansion into new markets; the risk of food-borne illnesses and other health concerns about our food products; changes in the availability and costs of food; changes in consumer preferences, general economic conditions or consumer discretionary spending; the impact of federal, state or local government regulations relating to our franchisees and employees, and the sale of food or alcoholic beverages; the impact of litigation; our ability to protect our name and logo and other proprietary information; the potential effects of inclement weather; the effect of competition in the restaurant industry; and other risk factors described from time to time in our SEC reports.

Contact:

COMPANY CONTACT:
Marc Geman
CEO

Spicy Pickle® Franchising, Inc.
303-297-1902 Ext. 7000
Email Contact: [Email Contact](#)

Source: Spicy Pickle Franchising, Inc.