

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

**CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): January 12, 2009

SBARRO, INC.

(Exact Name of Registrant as Specified in Its Charter)

New York

(State or Other Jurisdiction of Incorporation)

333-142081

(Commission File Number)

11-2501939

(IRS Employer Identification No.)

401 Broad Hollow Road, Melville, New York

(Address of Principal Executive Offices)

11747-4714

(Zip Code)

(631) 715-4100

(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

On January 12, 2009, Daniel G. Montgomery, age 44, was appointed as Vice President and Chief Financial Officer of Sbarro, Inc. (the “Company”) and its parent, MidOcean SBR Holdings, LLC (“Parent”), replacing Anthony J. Puglisi who will be leaving the Company upon mutual agreement to pursue other interests. In this capacity, Mr. Montgomery will serve as the Company’s and Parent’s principal financial and principal accounting officer. On the same date as his appointment, the Company and Parent entered into an employment agreement with Mr. Montgomery (the “Employment Agreement”). The Employment Agreement is attached as Exhibit 10.1 to this Current Report on Form 8-K.

Prior to joining the Company and Parent, Mr. Montgomery most recently served as a Managing Director of Skyworks Capital, LLC, an aviation advisory and investment banking firm, from 2008 to the present. From 2006 to 2008, Mr. Montgomery served as a Partner and Director of the Aviation, Aerospace and Defense Group and the Corporate Finance Group of Oliver Wyman Group/Mercer Management Consulting, an international management consulting firm. From 2003 to 2006, Mr. Montgomery worked as a Senior Director at Kroll Zolfo Cooper Financial Consulting, the North American corporate advisory and restructuring division of Kroll, a risk consulting company. From 2002 to 2003, Mr. Montgomery held the position of Executive Director of the Air Transportation Stabilization Board, an office of the United States Department of the Treasury, which was created to assist US airlines in the wake of the September 11, 2001 attacks. From 2001 to 2002, Mr. Montgomery worked for Nationsbanc and its successor Bank of America Securities in Corporate Banking and also in the Syndicated Debt Markets division. Mr. Montgomery earned an MBA in Finance from the University of Texas and a BSBA in Finance from Georgetown University.

Mr. Puglisi’s employment with the Company and Parent will officially terminate on February 12, 2009 and Mr. Puglisi will be entitled to certain severance payments and benefits pursuant to Section 5.4(b) of his existing Employment Agreement by and among Parent, the Company and Mr. Puglisi dated January 31, 2007 which was previously disclosed in the Company’s Form S-4 Registration Statement (File No. 333-142081). Additionally, pursuant to the terms of a cooperation letter agreement by and among Parent, the Company and Mr. Puglisi dated January 12, 2009 (the “Cooperation Agreement”), Mr. Puglisi has agreed to provide certain transitional services to the Company, as an independent contractor, after his official departure date until April 15, 2009 to assist in the Company’s year end audit and the preparation of the Company’s annual report for 2008. In consideration for such services, the Company will pay Mr. Puglisi an aggregate amount of \$93,333, reimburse Mr. Puglisi for any reasonably incurred expenses, and provide Mr. Puglisi with continued medical coverage during such period. The Cooperation Agreement is attached as Exhibit 10.2 to this Current Report on Form 8-K and is incorporated herein by reference.

Montgomery Employment Agreement Summary

Pursuant to the terms of an employment agreement, Mr. Montgomery will receive an initial annual base salary of \$350,000, which may be increased from time to time at the sole discretion

of the Company's board of directors, as well as various other customary perquisites and benefits. Mr. Montgomery will also be eligible to receive an annual bonus from the Company pursuant to such annual bonus plans as may be adopted by the Company's board of directors for executive officers of the Company. Additionally, after six (6) months, Mr. Montgomery will be eligible to participate in the equity sharing plan currently in effect for other senior executive officers of the Company. Eligibility and extent of participation in such plan will be at the sole discretion of the Company's chief executive officer.

The initial term of the employment agreement is one (1) year, and it renews automatically for successive one-year periods beginning January 12, 2010, unless either party provides at least ninety (90) days' advance written notice of a decision not to renew. Upon Mr. Montgomery's death or termination of his employment due to disability or incapacity, neither Mr. Montgomery nor his estate shall have any rights to receive compensation under the Employment Agreement other than: (i) base salary earned and accrued under the Employment Agreement prior to termination, (ii) continuation of base salary for a period of twelve (12) months (subject to deductions for disability payments received from the Company or from insurance paid for by the Company), (iii) any then earned but unpaid annual bonus for the year prior to termination and a pro rata bonus for the year in which termination occurs, (iv) accrued benefits, and (v) reimbursement for business expenses properly incurred prior to termination. Upon termination of Mr. Montgomery's employment by the Company for "Cause" or by Mr. Montgomery without "Good Reason," Mr. Montgomery shall have the same rights described above, except that Mr. Montgomery shall not be entitled to continuation of base salary. Upon termination by the Company without "Cause" or by Mr. Montgomery for "Good Reason," Mr. Montgomery shall have the same rights described above, except that Mr. Montgomery shall be entitled to continuation of base salary and medical benefits (at the Company's expense) for a period of twelve (12) months.

During the term of employment and for one (1) year thereafter, Mr. Montgomery has agreed not to compete with the Company. In addition, during the term of employment and for one (1) year thereafter, Mr. Montgomery has agreed not to: (i) solicit, induce or attempt to induce any other person or entity having any continuing or periodic contractual or non-contractual relationship with Parent and any of its direct or indirect subsidiaries and joint venture operations, and their respective successors and permitted assigns (the "Sbarro Group") to terminate, reduce or materially alter their relationship with, or otherwise cease negotiations and/or business activity with the Sbarro Group; (ii) solicit, divert or take away, or attempt to divert or take away the business or patronage of any persons who had a contractual or non-contractual relationship with any member of the Sbarro Group or with whom any member of the Sbarro Group was actively involved in negotiating any such relationship within six (6) months of termination of Mr. Montgomery's employment; or (iii) directly or indirectly induce or attempt to induce to leave the employ of any member of the Sbarro Group, or solicit, employ, hire, or engage, or attempt to employ, hire, or engage, any person who is employed by any member of the Sbarro Group at any time within one (1) year prior to Mr. Montgomery's termination.

The foregoing is a summary of the material terms of the Employment Agreement. Such summary does not purport to be complete and is qualified in its entirety by reference to the full

text of the Employment Agreement, a copy of which is attached hereto as Exhibit 10.1, and is incorporated herein by reference.

Item 8.01 Other Events

On January 14, 2009, the Company issued a press release announcing the management change as described above. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

- 10.1 Employment Agreement dated January 12, 2009 by and among MidOcean SBR Holdings, LLC, Sbarro, Inc. and Daniel G. Montgomery.
- 10.2 Cooperation Letter Agreement dated January 12, 2009 by and among MidOcean SBR Holdings, LLC, Sbarro, Inc. and Anthony J. Puglisi.
- 99.1 Press Release of Sbarro, Inc., dated January 14, 2009.

SIGNATURES

According to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on January 14, 2009.

SBARRO, INC.

/s/ Stuart Steinberg

By: Stuart Steinberg

Its: General Counsel and Secretary

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT, is made as of January 12, 2009 (this "Agreement"), by and among MidOcean SBR Holdings, LLC, a Delaware limited liability company ("Parent"), Sbarro, Inc., a New York corporation and a wholly-owned subsidiary of Parent (the "Company" and, together with Parent, "Sbarro"), and Daniel G. Montgomery ("Executive").

WHEREAS, each of Parent and the Company desire to employ Executive as its Vice-President and Chief Financial Officer, subject to the terms and conditions of this Agreement and its Exhibits; and

WHEREAS, each of Parent and the Company has determined that it is in the best interests of Parent and the Company to enter into this Agreement with Executive and Executive is willing to serve as an employee of Parent and the Company.

NOW, THEREFORE, in consideration of the mutual promises, agreements and covenants contained herein, the parties agree as follows:

1. Term. Executive's employment by Sbarro hereunder shall commence effective as of the date hereof (the "Commencement Date") and continue until the 1st anniversary of the date hereof, unless earlier terminated as provided elsewhere in this Agreement (the period from the Commencement Date until the relevant employment termination date is referred to herein as the "Term"); provided that the Term shall renew automatically for successive one-year periods unless either party gives the other party written notice of its intentions not to renew this Agreement no later than 90 days prior to the expiration of the then current Term.

2. Duties.

2.1 Executive shall, during the Term, use his best efforts to faithfully perform the duties of Vice-President and Chief Financial Officer of Sbarro pursuant to which he shall assist in the overall management, implementation of strategy and the day-to-day operations and business of Parent and its subsidiaries (including the Company's quick service, franchising, quick casual and strip center operations) in accordance with the budgets and business plans that have been approved by Parent's Board of Directors (the "Parent Board"), shall have responsibility for the financial reporting of Parent and its subsidiaries, and shall perform such other duties, commensurate with his position, as shall be specified and designated from time to time by the President and Chief Executive Officer, the Parent Board, or the Board of Directors of the Company (the "Company Board" and, together with the Parent Board, the "Boards"), as applicable. Executive shall, during the Term, devote his full business time, effort, skills and loyalty to effectively perform his duties and further the business of Sbarro; provided that Executive shall be permitted to (i) invest his personal assets and (ii) serve on any civic, community, charitable or corporate board to the extent that such activities, individually or in the aggregate, do not materially interfere with the conduct of Executive's duties. Executive shall report directly to the President and Chief Executive Officer, and shall promptly disclose, at appropriate times, all material developments relating to Sbarro known to him so as to enable Sbarro to obtain the most effective use of Executive's services and the business opportunities that come to Executive's attention.

2.2 Executive shall be subject to the written rules, regulations and policies of Parent and the Company involving the general conduct of business of Sbarro in force from time to time, as applicable to senior executives of Parent or the Company, and shall adhere in all material respects to such applicable rules, regulations and policies; provided, however, that such rules, regulations and policies are not illegal and that Executive has been made aware thereof by delivery to him of a written document(s) containing such rules, regulations and policies. In performing Executive's duties hereunder, Executive shall comply, in all material respects, with applicable laws, rules and regulations applicable to Parent and its subsidiaries and their businesses.

2.3 During the Term, and any time thereafter until the expiration of applicable statute of limitations, Executive agrees to fully cooperate in good faith and to the best of Executive's ability with Sbarro in connection with all pending, potential or future claims, litigations, arbitrations, proceedings, investigations or actions involving or relating to Sbarro or their subsidiaries which directly or indirectly relate to any transaction, event or activity about which Executive has knowledge. Such cooperation shall include all assistance that Sbarro, its counselor, its representatives may reasonably request, including reviewing and interpreting documents, meeting with counsel at a mutually and reasonably convenient time and location (depending on the circumstances), providing factual information and material, and appearing or testifying as a witness. After the Term, Executive's assistance shall be given telephonically, unless the same is not reasonably practicable, in which case such assistance shall be given in person (provided reasonable advance notice of the need for his assistance is given to the extent practicable). To the extent reasonably practicable (as determined by Sbarro in good faith), Sbarro will try to limit Executive's participation to regular business hours. In any event, in making any request for such cooperation, Sbarro will take into consideration (i) the significance of the matters at issue in the claim, litigation, arbitration, proceeding, investigation or action and (ii) after the Term, Executive's other personal and business commitments. Sbarro will reimburse Executive for all reasonably incurred expenses and costs actually incurred by him in connection with rendering assistance hereunder upon the submission of the appropriate documentation to Sbarro. Executive's entitlement to reimbursement of such expenses and costs pursuant to this Section 2.3 shall in no way affect Executive's rights to be indemnified and/or advanced expenses in accordance with Sbarro's limited liability company or corporate documents, any applicable insurance policy, and/or in accordance with this Agreement.

2.4 Although Executive will perform his duties at the Company's principal headquarters in the greater New York City metropolitan area, he understands that his responsibilities require substantial travel in connection with Sbarro's national and international operations.

3. Compensation.

3.1 Base Salary. In consideration for acting as the Vice-President and Chief Financial Officer of the Company, the Company shall pay Executive during the Term a base salary, payable in accordance with the customary payroll practices of the Company, of \$350,000 per annum, which amount may be increased (but not decreased) from time to time at the sole discretion of the Board (such amount, as may be so increased, the "Base Salary").

3.2 Annual Bonus. In addition to the Base Salary, Executive shall be eligible to earn an annual bonus (the "Annual Bonus") from the Company pursuant to such annual bonus plans as may be adopted by the Company Board for executive officers of the Company (as applicable, the "Annual Bonus Plan"). The Annual Bonus Plan shall be promptly established by the Company and shall specify Executive's target bonus (the "Target Bonus"), which shall be earned based upon the Company Board's determination, in its sole discretion, of the attainment of stated objectives (to be established by the Company Board with input from management, including Executive) and which may vary by executive class or executive. Executive, together with other members of management, shall develop and propose to the Boards a strategic business plan (containing, among other items and on a Company fiscal quarter basis, stated business objectives to be accomplished and an EBITDA goal) and a proposed budget no later than the regularly scheduled December meeting of the Boards of each year for the next succeeding fiscal year and in time for the Boards to consider, review, discuss, modify and approve for such next ensuing year (the "Strategic Business Plan"). The Annual Bonus, if any, will be paid to Executive by the Company promptly after the Company Board determines the amount payable to Executive, but in any event on or before May 1.

3.3 Withholding. All payments of compensation and benefits shall be subject to applicable withholding taxes and other legally required payroll deductions. Executive shall provide the Company with all information reasonably requested by the Company with respect thereto.

3.4 Benefits. Executive (and his eligible dependents) shall, during the Term, be entitled to participate in all of the Company's employee benefits plans, to the extent permitted by the terms of each such plan, on the same terms and conditions made available to other executive level employees of the Company. Nothing herein shall be construed to require the Company to establish any plans not in existence on the date hereof, or to prevent the Company from modifying or terminating any such plans; provided that any modification or termination shall not adversely affect any accrued or vested benefits at the time of the modification or termination. Executive shall comply with the conditions attendant to coverage by such plans (which conditions shall be the same as applicable to participants in the plans generally). Executive affirms that, to his knowledge, he currently is in good health, with no chronic or recurring illness, is physically and mentally able to perform his duties under this Agreement and is insurable at normal rates.

3.5 Equity Compensation.

(a) After six months you will be eligible to participate in the equity sharing plan currently in effect for other Senior Executives of the Company, eligibility and extent of such participation will be in the Chief Executive Officer's sole discretion.

3.6 Expenses. The Company shall pay, or reimburse Executive, in accordance with the applicable Company policy, for all reasonable out-of-pocket expenses actually incurred by Executive during the Term in the performance of Executive's services under this Agreement and for all lodging expense Executive incurs for hotel or apartment expense designated by the Company, which shall be in relative proximity to the corporate offices. Executive shall submit proof of such expenses (including, in the case of reimbursements, proof of payment), with the properly completed forms as prescribed from time to time by the Company once each month; provided, however, that such proof is submitted within a reasonable time after such expenses have been so incurred (and, in the case of reimbursements, have been actually paid).

3.7 Vacation. During the Term, Executive shall be entitled to four (4) weeks of annual vacation in accordance with the Company's standard policies in effect from time to time regarding vacation time and accrual thereof. Vacation shall be taken at times when reasonably appropriate, given Executive's responsibilities and consistent with the needs of Sbarro. Executive shall be entitled to sick and personal days in accordance with the Company's policy and shall be entitled to such other perquisites as were provided to Executive by the Company prior to the date hereof.

3.8 Automobile. During the Term, the Company shall provide Executive a monthly cash payment of \$1,250 representing a car allowance which shall be exclusive of the costs of insurance, gas, repairs, maintenance, etc.

4. Disability or Death.

4.1 Disability. If Executive fails, due to disability or incapacity, either physical or mental, to perform substantially and continuously all of the material and essential duties assigned to him for a period of more than 180 consecutive days or for 270 nonconsecutive days out of any consecutive 1 year period, Sbarro may terminate Executive's employment by written notice to Executive delivered at least 10 calendar days prior to the effective date of his termination. The determination as to whether Executive is disabled or incapable of performing his duties hereunder shall be made by a disinterested physician jointly selected by Executive and the Parent Board; provided, however, that if a disinterested physician cannot be selected within 15 calendar days of Sbarro's written request therefore, Sbarro shall have the right to request the Medical Society of Suffolk or Nassau County to select a qualified disinterested physician to conduct an appropriate examination and such physician's determination as to Executive's disability or incapacity shall be final and binding. Executive shall submit to examination by such physician at such reasonable times and places as may be requested by Sbarro, and any failure by Executive to submit to such examination schedule shall be deemed a binding admission by Executive of his disability or incapacity.

4.2 Death or Disability Termination Payments. Upon death or termination of employment by virtue of disability or incapacity, neither Executive, nor Executive's estate, executors, administrators or beneficiaries in the case of the death of Executive, shall have any right to receive any compensation or benefit hereunder on and after the effective date of the termination of employment other than (i) Base Salary earned and accrued under this Agreement prior to the effective date of termination, (ii) continuation of Base Salary for a

period of 12 months; provided, however, that the Company may deduct there from any disability payments received by Executive from the Company or from insurance paid for by the Company, (iii) any then earned, but unpaid, Annual Bonus with respect to the year prior to the year in which termination occurs, and a *pro rata* Target Bonus for the portion of the year in which termination occurs, (iv) accrued benefits (including compensation for accrued vacation, sick and personal days) in accordance with and subject to the terms of Sbarro's benefit plans and policies, and (v) reimbursement, in accordance with the terms of this Agreement, for business expenses properly incurred prior to the effective date of termination.

4.3 Payment After Death. In the event of Executive's death, any payments by the Company shall be made to the executors or administrators of Executive's estate upon the delivery of such documents as the Company may reasonably request confirming such person's appointment and authority.

4.4 Termination of this Agreement. In the event of termination of Executive's employment pursuant to this Article 4, this Agreement, except for the provisions of Section 4.2 "Termination Payments," Section 4.3 "Payment After Death," Article 6 "Restrictive Covenants" (to the extent applicable in accordance with its terms) and Article 7 "Other Provisions," shall otherwise terminate upon (a) the effective date of the termination of employment if termination has been effected by disability or incapacity, and (b) upon Executive's death, and Executive and his estate shall have no further rights hereunder.

5. Certain Terminations of Employment.

5.1 Termination for Cause. Sbarro may terminate Executive for Cause; provided, however, that either Parent or the Company has given prior written notice of such Cause to Executive (specifying in detail the nature of the Cause) and the same has not been cured in all material respects or waived by the Parent Board within 15 calendar days after the giving of such notice. During such time period, authorized representatives of the Parent Board will be available to meet with Executive (and Executive's legal counsel if requested by Executive) upon 3 calendar days' prior written notice, if requested by Executive, which meeting, may be held telephonically. As used in this Agreement, "Cause" means and shall be deemed to exist if, without the prior written consent of the Parent Board, Executive: (a) is convicted of, or pleads guilty or *nolo contendere* to, a felony (including fraud or embezzlement) or other crime involving moral turpitude; (b) while acting on behalf of Sbarro or otherwise in the performance of his duties for Sbarro, knowingly (i) submits false reports (whether oral or in writing) or lies to either of the Boards or (ii) commits a willful act of gross misconduct or gross negligence; (c) knowingly partakes of illegal substances; (d) engages in alcohol abuse to such an extent that Executive's ability to properly fulfill his responsibilities to Sbarro in a manner reasonably expected is impaired in any material respect; (e) fails in any material respect to follow any written policy affecting all employees of Parent and/or the Company, which policy provides that such failure may result in termination of employment; or (f) fails to comply in any material respect with the lawful and reasonable written direction of either of the Boards.

5.2 Termination Without Cause. Sbarro may terminate Executive's employment at any time, and for any reason or for no reason, upon 30 days' prior written notice to Executive, which notice shall specify the effective date of such termination.

5.3 Termination for Any Reason or for Good Reason by Executive. Executive shall have the right to terminate his employment with Sbarro for any reason at any time upon 30 days' prior written notice to Parent, which notice shall specify the effective date of such termination. In addition, Executive may terminate his employment with Sbarro for Good Reason; provided, however, that Executive has given, within 30 days of his obtaining knowledge of the event purported to constitute Good Reason, 30 calendar days prior written notice of such Good Reason to the Boards (specifying in detail the nature of the Good Reason) and the same shall not have been cured in all material respects or waived by Executive within such period of 30 calendar days. As used in this Agreement, "Good Reason" means and shall be deemed to exist if, without the prior express written consent of Executive: (a) Executive suffers a material change in his reporting obligations; (b) Executive suffers a material decrease in the duties or responsibilities associated with his titles and positions, as set forth in Section 2.1; (c) Executive's Base Salary, Target Bonus or any future incentive equity opportunity provided by Sbarro after the date hereof is reduced; (d) the Company fails to pay Executive's Base Salary, Annual Bonus or benefits to which Executive is entitled under Sections 3.2 or 3.4 when due; (e) the Company's principal headquarters is relocated outside of the greater New York City metropolitan area; (f) either Parent or the Company sells, transfers or otherwise disposes of all or substantially all of its assets or business, and transfers its obligations under this Agreement to a successor, which successor fails to expressly assume in writing all of Sbarro's obligations to Executive under this Agreement; or (g) the Parent Board provides notice to Executive pursuant to Section 1 of Sbarro's election not to extend the Term.

5.4 Effects of Termination.

(a) Termination for Cause. Notwithstanding any other provision of this Agreement, if Sbarro terminates Executive's employment for Cause, such action shall be without prejudice to any other rights or remedies that Sbarro may have at law or in equity; and Sbarro shall have no further obligation to Executive and Executive shall have no right to receive any compensation or benefit from Sbarro, on and after the effective date of such termination, other than: (i) Base Salary earned and accrued under this Agreement prior to such effective date of termination; (ii) accrued benefits (including compensation for accrued vacation) in accordance with and subject to the terms of Sbarro's benefit plans and policies; (iii) any then earned, but unpaid, Annual Bonus with respect to the year prior to the year in which termination occurs, payable on its normal payment date; and (iv) reimbursement, in accordance with the terms of this Agreement, for business expenses properly incurred prior to the effective date of termination. This Agreement, except for the provisions of, this Section 5.4(a), Article 6 "Restrictive Covenants" (to the extent applicable in accordance with its terms) and Article 7 "Other Provisions," shall otherwise terminate upon the effective date of the termination of employment and Executive shall have no further rights hereunder.

(b) Termination Without Cause or for Good Reason. If Executive's employment with Sbarro is terminated by Sbarro without Cause or by Executive for Good Reason, Executive shall have no right to receive any compensation or benefit from Sbarro, whether under this Agreement or otherwise, on and after the effective date of the termination of employment other than: (i) Base Salary earned and accrued under this Agreement prior to the effective date of termination; (ii) accrued benefits (including compensation for accrued vacation, sick and personal days) in accordance with and subject to the terms of Sbarro's benefit plans and policies; (iii) any then earned, but unpaid, Annual Bonus with respect to the year prior to the year in which termination occurs, payable on its normal payment date; (iv) reimbursement, in accordance with the terms of this Agreement, for business expenses properly incurred prior to the effective date of termination; and (v) a continuation of Base Salary and medical benefits (at the Company's expense) for twelve (12) months. This Agreement, except for the provisions of, this Section 5.4(b), Article 6 "Restrictive Covenants" (to the extent applicable in accordance with its terms) and Article 7 "Other Provisions," shall otherwise terminate upon the effective date of the termination of employment and Executive shall have no further rights hereunder.

(c) Termination Without Good Reason. Notwithstanding any other provision of this Agreement, if Executive terminates his employment with Sbarro other than for Good Reason, Sbarro shall have no further obligation to Executive and Executive shall have no right to receive any compensation or benefit from Sbarro, on and after the effective date of such termination, other than: (i) Base Salary earned and accrued under this Agreement prior to such effective date of termination; (ii) accrued benefits (including compensation for accrued vacation, sick and personal days) in accordance with and subject to the terms of Sbarro's benefit plans and policies; (iii) any then earned, but unpaid, Annual Bonus with respect to the year prior to the year in which termination occurs, payable on its normal payment date; and (iv) reimbursement, in accordance with the terms of this Agreement, for business expenses properly incurred prior to the effective date of termination. This Agreement, except for the provisions of this Section 5.4(c), Article 6 "Restrictive Covenants" (to the extent applicable in accordance with its terms) and Article 7 "Other Provisions," shall otherwise terminate upon the effective date of the termination of employment and Executive shall have no further rights hereunder.

(d) Amounts payable under this Article 5 will be paid by the Company. The Company will be obligated to make the severance payments and provide such benefits as described in this Article 5 only if Executive has not breached, and only so long as Executive does not breach, his obligations under Article 6 of this Agreement and executes and delivers to the Company (and does not revoke) the General Release in the form attached hereto as Exhibit A.

6. Restrictive Covenants.

6.1 General Acknowledgment. Executive acknowledges that: (a) his employment by Sbarro, throughout the term of his employment, will bring him into close contact with many confidential affairs of Sbarro, including information about costs, profits, markets, sales, products, key personnel, pricing policies, operational methods, recipes, technical processes and other business affairs and methods and other information not readily available to the public, and plans for future development; (b) the services to be performed by him under this Agreement are of a special, unique, unusual, extraordinary and intellectual character; (c) the

business of Sbarro is international in scope, its products and services are marketed throughout the world and Sbarro competes with other entities that are or could be located in nearly any part of the world; and (d) the nature of his services, position and expertise are such that he is capable of competing with Sbarro from nearly any location in the world. In recognition of the foregoing, Executive: (i) agrees that the restrictions contained in this Article 6 are necessary for the protection of the trade secrets, proprietary information and contractual relationships of Sbarro, and are considered by Executive to be reasonable for such purpose; and (ii) agrees that he shall not challenge the reasonability or enforceability of his covenants set forth in this Article 6. Executive agrees that any breach by him of this Article 6 will cause Sbarro substantial and irrevocable damage and, therefore, without limiting Sbarro's rights under Section 6.6, in the event of any such breach, Executive agrees that, notwithstanding anything in Article 5 to the contrary, he shall forfeit his right to receive the balance of any compensation (other than Base Salary and Annual Bonus earned or accrued, but unpaid, under this Agreement prior to the date of termination and other than accrued or vested benefits in accordance with and subject to the terms of Sbarro's benefit plans and policies) thereafter due him under this Agreement.

6.2 Non-Competition: Non-Solicitation.

(a) During the term of Executive's employment with Sbarro and for a period of 1 year thereafter, Executive shall not, directly or indirectly, as an individual proprietor, partner, stockholder, officer, executive, director, joint venture, investor, lender or in any other capacity whatsoever (other than solely as an inactive investor (i) holding not more than 2% of the outstanding publicly traded securities of an entity which is registered under section 12(b) or 12(g) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") or (ii) in such other enterprises as may be consented to in writing by the Parent Board, which consent shall not be unreasonably withheld or delayed), engage in the business of developing, producing, managing, consulting for, marketing or selling: (w) Italian motif quick service restaurants; (x) Italian motif quick casual restaurants; (y) Italian motif casual restaurants; or (z) restaurants that are competitive with any other type of restaurant operated by the Sbarro Group (as defined below) while Executive is employed by Sbarro.

(b) During the term of Executive's employment with Sbarro and for a period equal to the period provided in Section 6.2(a), Executive shall not, directly or indirectly:

(i) solicit or induce, or attempt to induce, any other person or entity having any continuing or periodic contractual or non-contractual relationship with any member of the Sbarro Group to terminate, reduce or materially alter their relationship with, or otherwise cease negotiations and/or business activity with the Sbarro Group;

(ii) solicit, divert or take away, or attempt to divert or to take away, the business or patronage of any persons who had a contractual or non-contractual relationship with any member of the Sbarro Group or with whom with any member of the Sbarro Group was actively involved in negotiating any such relationship within 6 months of Executive's effective date of termination of employment; or

(iii) until 1 year after Executive's date of termination of employment, directly or indirectly, induce or attempt to induce to leave the employ of any member of the Sbarro Group, or solicit, employ, hire, or engage, or attempt to employ, hire or engage, any person who is employed by any member of the Sbarro Group at any time within 1 year prior to Executive's date of termination.

(c) If any restriction set forth in this Section 6.2 is found by a court of competent jurisdiction to be unenforceable because it extends for too long a period of time or over too great a range of activities or in too broad a geographic area, it shall be interpreted to extend only over the maximum period of time, range of activities or geographic areas as to which it may be enforceable.

(d) Executive acknowledges that he is under no restriction of any nature with any third party which would limit him, in any way, whatsoever, from fully performing his duties under this Agreement.

6.3 Proprietary Information.

(a) Executive acknowledges and agrees that, due to the uniqueness of his position, information is available to him which is of such a highly confidential and proprietary nature as to constitute a trade secret, and any conduct by him which makes use of such information (except as part of the performance of his duties on behalf of Sbarro) would be a breach of his fiduciary duty to Sbarro. Accordingly, Executive agrees that all information and know-how, whether or not in writing, of a private, secret or confidential nature concerning Sbarro's business or financial affairs or business methods received by him from any member of the Sbarro Group or of which he became aware during the term of his employment (collectively "Proprietary Information"), is and shall be the exclusive property of Sbarro. Except as may be required by law, a court of competent jurisdiction (including pursuant to a duly issued subpoena thereof) or a governmental agency (in any which event Executive shall promptly notify Sbarro thereof), and except as required in any litigation or other proceeding involving this Agreement, Executive shall not disclose any Proprietary Information to others outside of the Sbarro Group (except as part of the performance of his proper duties on behalf of Sbarro), or use the same for any unauthorized purposes, without written approval by the Parent Board, either during or after his employment, unless and until such Proprietary Information has become public knowledge without fault of Executive.

(b) Executive agrees that all tangible material containing Proprietary Information, whether created by Executive pursuant to his employment and duties under this Agreement or otherwise, which shall come into his custody or possession during the term of his employment, shall be and is the exclusive property of Sbarro to be used by Executive only in the performance of his duties for Sbarro. Executive agrees to deliver promptly to Sbarro on termination of his employment, or at any other time that Sbarro may so request, all memoranda, notes, records, reports and other documents (and all copies thereof) relating to Sbarro's business, which Executive obtained while, employed by, or otherwise serving or acting on behalf of, Sbarro and which he may then possess or have under his control. Notwithstanding anything to the contrary contained herein, Executive shall be entitled to retain: (i) papers and other materials of a personal nature, including photographs, personal

correspondence, personal diaries and rolodexes and personal files and phone books; (ii) information showing his compensation or relating to reimbursement of expenses; (iii) information that he reasonably believes may be needed for tax purposes; or (iv) copies of plans, programs and agreements relating to his employment, or termination thereof, with Sbarro.

(c) Executive agrees that he shall not disclose or use information, know how and records of the types set forth in paragraphs (a) and (b) of this Section which he knows or should know constitute proprietary information of any third party, and that such agreement does not, and shall not, limit him, in any way, whatsoever, from fully performing his duties under this Agreement.

6.4 Developments. Executive shall promptly disclose to Sbarro all processes, recipes, trademarks, copyrightable materials, inventions, improvements, discoveries and other information related to the business of any member of the Sbarro Group (collectively "Developments") conceived, developed or acquired by him alone or with others during the Term, whether or not conceived during regular working hours, or through the use of Company time, material or facilities or otherwise. All such Developments shall be the sole and exclusive property of Sbarro and, upon request, Executive shall deliver to Sbarro all drawings, sketches, models, written information and materials, and other data and records relating to such Developments. In the event any such Developments shall be deemed by Sbarro to be patentable, trademarkable or copyrightable, Executive shall, at the expense of Sbarro, assist Sbarro in obtaining a patent or patents, a trademark or trademarks, and a copyright or copyrights thereon, and execute all documents and do all other things reasonably necessary or proper to obtain patents, trademarks and copyrights, as the case may be, domestic and foreign, and to vest Sbarro with full title thereto.

6.5 Non-disparagement. During his employment with Sbarro and thereafter, neither Executive nor Sbarro shall publish any statement, or make any statement under circumstances reasonably likely to become public, that is critical of Sbarro or its principals or executives, on the one hand, or Executive, on the other, or in any way adversely affecting or otherwise maligning the reputation and business of Sbarro or its principals or executives, on the one hand, or Executive, on the other. Notwithstanding the foregoing, nothing in this Section 6.5 shall prevent any person from (a) responding publicly to incorrect, disparaging or derogatory public statements to the extent reasonably necessary to correct or refute such public statement or (b) making any truthful statement to the extent (i) necessary in any litigation, arbitration or mediation involving this Agreement, including, but not limited to, the enforcement of this Agreement or (ii) required by law or by any court, arbitrator, mediator or administrative or legislative body (including any committee thereof) with apparent jurisdiction to order such person to disclose or make accessible such information.

6.6 Rights and Remedies upon Breach.

(a) Executive and Sbarro acknowledge and agree that a breach of any provision of Article 6 (the “Restrictive Covenants”) would result in irreparable injury and damage for which money damages do not provide an adequate remedy. Therefore, if Executive or Sbarro breaches or threatens to commit a breach of any Restrictive Covenant, Sbarro or Executive, as applicable, shall have the following rights and remedies (upon compliance with any necessary prerequisites imposed by law upon the availability of such remedies), each of which rights and remedies shall be independent of the other and severally enforceable, and all of which right and remedies shall be in addition to, and not in lieu of, any other rights and remedies available to Sbarro or Executive, as applicable, under law or in equity (including the recovery of damages):

(i) to have the Restrictive Covenants specifically enforced (without posting bond and without the need to prove damages) by any court having jurisdiction, including the right to an entry against Executive or Sbarro, as applicable, of restraining orders and injunctions (preliminary, mandatory, temporary and permanent) against violations, threatened or actual, and whether or not then continuing, of such covenants; and

(ii) to require Executive to account for and pay over to Sbarro all compensation, profits, monies, accruals, increments or other benefits (collectively “Profits”) derived or received by him as the result of any transactions constituting a breach of the Restrictive Covenants.

(b) The existence of any claim or cause of action by Executive or Sbarro, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement of the Restrictive Covenants.

6.7 Definition of Sbarro Group. For purposes of this Article 6, the phrase “Sbarro Group” shall mean Parent and its direct or indirect subsidiaries and joint venture operations, and their respective successors and permitted assigns. Executive agrees that each such subsidiary, joint venture, successor and permitted assign is a third-party beneficiary of this Article 6.

7. Other Provisions.

7.1 Severability. Executive acknowledges and agrees that (i) he has had an opportunity to seek advice of counsel in connection with this Agreement; and (ii) the Restrictive Covenants are reasonable in geographical and temporal scope and in all other respects. If it is determined that any provision of this Agreement, including any Restrictive Covenant, or any part thereof, is invalid or unenforceable, the remainder of the Agreement shall not thereby be affected and shall be given full effect, without regard to the invalid provisions. If any Restrictive Covenant shall be held invalid or unenforceable because of its duration, geographic scope, or for any other reason, Parent, the Company and Executive agree that the court making such determination shall have the power to modify such provision, whether by limiting the geographic scope, reducing the duration, or otherwise, to the minimum extent necessary to make such term or provision valid and enforceable, and such term or provision shall be enforceable in such modified form.

7.2 Enforcement. Any action brought to enforce any of the provisions of this Agreement shall be brought solely in the New York State Supreme Court, Suffolk County or the United States District Court for the Eastern District of New York, and the parties consent and agree to the exclusive jurisdiction of such Court. The parties irrevocably agree that (i) all claims in respect of any such suit, action or proceeding may be heard and determined in any such court and (ii) not to commence any action, suit or proceeding relating to this Agreement or any transaction except in such courts. Each party hereby waives, and agrees not to assert in any such suit, action or proceeding, in each case, to the fullest extent permitted by applicable law, any claim that (a) he or it is not personally subject to the jurisdiction of any such court, (b) he or it is immune from any legal process with respect to him or his, or it or its, property (and further irrevocably agrees that service of process and all other legal process may be delivered in accordance with the provisions of Section 7.4 of this Agreement and that such service shall be sufficient for all purposes of applicable law), or (c) jurisdiction or venue for any such suit, action or proceeding is improper or that any such suit, action or proceeding is brought in an inconvenient forum.

7.3 Indemnification. Concurrently with the execution of this Agreement, Executive, Parent and the Company will enter into an indemnification and expense reimbursement agreement (the "Indemnification Agreement"), with respect to the terms of Sbarro's agreement to indemnify Executive, which agreement will be consistent with the indemnification agreements entered into by Sbarro with other executive officers and directors of Sbarro. Sbarro shall cover Executive under an officer's and director's insurance policy with at least the same coverage (as to scope and amount) as provided by Sbarro to other directors and officers of Sbarro.

7.4 Notices. All notices, requests, demands, waivers and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if delivered personally, sent by reputable overnight courier, or mailed (certified or registered mail, return receipt requested):

If to the Parent to:
c/o MidOcean Partners
320 Park Avenue
Suite 1700
New York, NY 10022
Attention: Robert Sharp
Nicky McGrane

With a copy to:
Kirkland & Ellis LLP
655 Fifteenth Street, N.W.
Washington, D.C. 20005
Attention: Mark Director, Esq.

If to Sbarro to:
Sbarro, Inc.
401 Broad Hollow Road
Melville, New York 11747
Attention: Stuart M. Steinberg, Esq.

If to Executive to:
Daniel G. Montgomery
19 Knob Hill Drive
Summit, NJ 07901
With a copy to:

or to such other person or address as either party shall specify by notice in writing to the other party. All such notices, requests, demands, waivers and communications shall be deemed to have been given and received on the date on which so hand-delivered or delivered by overnight courier (unless not received during a business day in which event receipt shall be deemed to occur on the next occurring business day) or, if mailed, on the business day actually delivered, except for a notice of change of address which shall be effective only upon receipt; provided, however, that if any notice is refused, then the date such notice shall be deemed to have been given and received shall be on the date of refusal thereof.

7.5 Entire Agreement. This Agreement, together with Exhibit A annexed hereto, contain the entire agreement between the parties with respect to the subject matter hereof and thereof and supersedes all prior or contemporaneous agreements, written or oral, with respect thereto.

7.6 Waivers and Amendments. This Agreement may be amended, superseded or canceled, and the terms hereof may be waived, only by a written instrument signed by the parties or, in the case of a waiver, by the party waiving compliance. No delay by either party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of either party of any such right, power or privilege nor any single or partial exercise as any such right, power or privilege, preclude any other or further exercise thereof or the exercise of any other such right, power or privilege.

7.7 Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW THAT WOULD DEFER TO THE SUBSTANTIVE LAWS OF ANOTHER JURISDICTION.

7.8 Assignment. This Agreement, and Executive's rights and obligations hereunder, may not be assigned by Executive other than to his heirs and beneficiaries; any other purported assignment by Executive in violation hereof shall be null and void. In the event of any sale, transfer or other disposition of all or substantially all of Parent's or of the Company's assets or business, whether by merger, consolidation or otherwise, Sbarro may assign this Agreement and their rights hereunder to the party acquiring such assets or business.

7.9 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, heirs, executors and legal representatives.

7.10 Survival. In addition to the provisions as to which survival is specifically provided for elsewhere in this Agreement, Section 2.3, Article 6 and Article 7 shall survive termination of this Agreement.

7.11 Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

7.12 Tax Matters.

(a) Notwithstanding any other provisions of this Agreement to the contrary, in the event that any payments or benefits received or to be received by Executive in connection with Executive's employment with Sbarro (or termination thereof) would subject Executive to the excise tax (the "Excise Tax") imposed under Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), and if the net-after tax amount (taking into account all applicable taxes payable by Executive, including any Excise Tax) that Executive would receive with respect to such payments or benefits does not exceed the net-after tax amount Executive would receive if the amount of such payments and benefits were reduced to the maximum amount which could otherwise be payable to Executive without the imposition of the Excise Tax, then, only the extent necessary to eliminate the imposition of the Excise Tax, such payments and benefits shall be reduced.

(b) The parties hereto acknowledge and agree that, to the extent applicable, this Agreement shall be interpreted in accordance with Section 409A of the Code and the Department of Treasury Regulations and other interpretive guidance issued thereunder, including any such regulations or other guidance that may be issued after the Commencement Date (collectively, "Code Section 409A"). In the event that Sbarro or Executive reasonably determines that any amounts payable hereunder shall be taxable to Executive under Code Section 409A, the parties shall negotiate in good faith modifications to this Agreement that are intended to preserve the intended tax treatment of the benefits provided by this Agreement; provided that (i) Sbarro shall not be required to take any action that causes Sbarro or their affiliates to incur any additional expense or to accelerate any payment or benefit provided to Executive under this Agreement and (ii) Sbarro and its affiliates shall have no obligation to pay, reimburse or indemnify Executive for any tax, penalty, interest or other expense incurred under or pursuant to Code Section 409A.

7.13 No Conflict. Executive represents and warrants to Sbarro that this Agreement is legal, valid and binding upon him and the execution of this Agreement and the performance of his obligations hereunder does not and shall not constitute a breach of, or conflict with, the terms or provisions of, any agreement or understanding to which Executive is a party (including any other employment agreement). Sbarro represents and warrants to Executive that this Agreement is legal, valid and binding upon each of Parent and the Company and the execution of this Agreement and the performance of Sbarro's obligations hereunder do not and shall not constitute a breach of, or conflict with the terms or provisions of, any agreement or understanding to which Parent or the Company is a party.

7.14 Counterparts. This Agreement may be executed by the parties in separate counterparts, each of which when so executed and delivered shall be an original but both such counterparts together shall constitute one and the same instrument. Each counterpart may consist of two copies hereof each signed by one of the parties hereto.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

MidOcean SBR Holdings, LLC

/s/ Daniel G. Montgomery

Daniel G. Montgomery

By: /s/ Peter Beaudrault

Name: Peter Beaudrault

Title: President and Chief Executive Officer

Sbarro, Inc.

By: /s/ Peter Beaudrault

Name: Peter Beaudrault

Title: President and Chief Executive Officer

Exhibit A

RELEASE

Pursuant to the terms of the Employment Agreement dated as of January ____, 2009 between MidOcean SBR Holdings, LLC, with offices c/o MidOcean Partners, 320 Park Avenue, Suite 1700, New York, NY 10022 ("Parent"), Sbarro, Inc., with offices at 401 Broad Hollow Road Melville, New York 11747 (the "Company" and, together with Parent, "Sbarro"), and the undersigned (the "Agreement"), and in consideration of the payments made to me and other benefits to be received by me pursuant to Article 5 of the Agreement, I, _____, being of lawful age, do hereby release and forever discharge Sbarro and any successors, subsidiaries, affiliates, related entities, predecessors, merged entities and parent entities and their respective officers, directors, shareholders, employees, benefit plan administrators and trustees, agents, attorneys, insurers, representatives, affiliates, successors and assigns from any and all actions, causes of action, claims, or demands for general, special or punitive damages, attorney's fees, expenses, or other compensation or damages (collectively, "Claims"), which in any way relate to or arise out of my employment with Sbarro or any of its subsidiaries or affiliates or the termination of such employment, which I may now or hereafter have under any federal, state or local law, regulation or order, including Claims related to any stock options or other benefits held by me or granted to me by Sbarro that are scheduled to vest subsequent to my termination of employment and Claims under the Age Discrimination in Employment Act, Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Fair Labor Standards Act, the Family and Medical Leave Act and the Employee Retirement Income Security Act, each as amended through and including the date of this Release (with the exception of Claims that may arise outside of this Agreement and from events that occur after the date I sign this Release); provided, however, that the execution of this Release shall not prevent the undersigned from bringing a lawsuit, action or claim against any person or entity released hereunder to enforce its obligations under the Agreement or the Amended and Restated Limited Liability Company Agreement of Parent. Anything to the contrary notwithstanding in this Release or the Agreement, nothing herein shall release Sbarro from any claims or damages based on: (i) any right or claim that arises after the date of this Release; (ii) any right I may have to accrued or vested (and unpaid) benefits or entitlements under any applicable plan, agreement, program, award, policy or arrangement of Sbarro; (iii) my eligibility for indemnification in accordance with applicable laws or the certificate of incorporation and by-laws of Sbarro or any applicable insurance policy, with respect to any liability I incur or incurred as an employee or officer of Sbarro; or (iv) any right I may have to obtain contribution as permitted by law in the event of entry of judgment against me as a result of any act or failure to act for which I and any person or entity released herein are jointly liable.

I acknowledge that I have been given at least 21 days from the day I received a copy of this release to sign it and that I have been advised to consult an attorney. I understand that I have the right to revoke my consent to this release for 7 days following my signing. This release shall not become effective or enforceable until the expiration of the 7-day period following the date it is signed by me.

I ALSO ACKNOWLEDGE THAT BY SIGNING THIS RELEASE I MAYBE GIVING UP VALUABLE LEGAL RIGHTS AND THAT I HAVE BEEN ADVISED TO CONSULT A LAWYER BEFORE SIGNING. I further state that I have read this document and the Agreement referred to herein, that I know the contents of both and that I have executed the same as my own free act.

WITNESS my hand this __ day of _____, ____.

Daniel G. Montgomery

January 12, 2009

Anthony J. Puglisi
17 Peppermill Lane
Dix Hills, New York 11746

Dear Mr. Puglisi,

This letter agreement sets forth our agreement as to your continued performance of services as an independent contractor following the February 12, 2009 date of termination (the "Date of Termination") of your employment with MidOcean SBR Holdings, LLC ("MidOcean") and Sbarro, Inc. (the "Company" and, together with MidOcean, "Sbarro").

During the period from the Date of Termination to April 15, 2009 (the "Advisory Period"), you agree to make yourself available during normal business hours to perform the following services (the "Advisory Services") at the Company's reasonable request:

- assist in the completion of the Company's audit for the fiscal year ended December 28, 2008;
- assist in the completion of the Company's Annual Report on Form 10-K for the fiscal year ended December 28, 2008; and
- assist in other transition tasks to be mutually agreed upon, if any.

It is the expectation of the parties hereto that the level of services to be provided by you in connection with the performance of the Advisory Services will be more than 50% of the average level of services provided by you as an employee of Sbarro during the thirty-six month period prior to the Date of Termination. In consideration of your agreement to provide the Advisory Services as aforesaid, the Company will (i) pay you an aggregate amount of \$93,333 in equal installments of \$31,111 on each of February 27, 2009, March 13, 2009 and March 27, 2009 and (ii) during the Advisory Period, continue to provide you with your medical benefits (at the Company's expense) as in effect on the Date of Termination. In addition, Sbarro will reimburse you for all reasonably incurred expenses and costs actually incurred by you in connection with rendering the Advisory Services hereunder upon the submission of the appropriate documentation to Sbarro. Your entitlement to reimbursement of such expenses and costs pursuant hereto shall in no way affect your rights to be indemnified and/or advanced expenses in accordance with the Amended and Restated Limited Liability Agreement of MidOcean, dated as of January 31, 2007, the Company's corporate documents, any applicable insurance policy or the Indemnification Agreement dated as of January 31, 2007 between you and Sbarro, which Indemnification Agreement shall, notwithstanding anything to the contrary contained therein, cover you in your capacity as an independent contractor to Sbarro under this letter agreement and the provision by you of Advisory Services during the Advisory Period.

Notwithstanding any other provision in this letter agreement, the other letter agreement dated the date hereof between you and Sbarro or the Employment Agreement dated as of January 31, 2007 between Sbarro and you to the contrary, all expenses eligible for reimbursement hereunder and

thereunder shall be paid to you promptly in accordance with Sbarro's customary practices applicable to the reimbursement of expenses of such type, but in any event by no later than December 31 of the calendar year following the calendar year in which such expenses were incurred.

You acknowledge that during the Advisory Period you will be an independent contractor and not an employee of Sbarro. You will be responsible for paying federal, state and local income taxes, penalties and interest applicable to any of the payments or benefits provided hereunder, and no taxes will be deducted from the amounts paid to you under this letter agreement. In addition, except as set forth above with respect to medical benefits, as an independent contractor, you are not eligible for, and will not accrue or receive, any employee benefits, including but not limited to insurance benefits, vacation, holidays and/or pension benefits, under this letter agreement.

This letter agreement shall be binding upon and shall inure to the benefit of the parties and their respective successors, heirs, executors and legal representatives. Additionally, this letter agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflicts of law principles.

[Remainder of Page Intentionally Left Blank.]

Please acknowledge your acceptance with the terms of this letter agreement by signing below.

Sincerely,

MIDOCEAN SBR HOLDINGS, LLC

By: /s/ Stuart Steinberg
Name: Stuart Steinberg
Title: General Counsel and Secretary

SBARRO, INC.

By: /s/ Stuart Steinberg
Name: Stuart Steinberg
Title: General Counsel and Secretary

Acknowledged and agreed, by

/s/ Anthony J. Puglisi
Anthony J. Puglisi

***Sbarro, Inc. appoints Dan Montgomery as CFO
Cites Significant Financial and Operational Experience as Key to Appointment***

NEW YORK, NY., Jan. 14 – Sbarro, Inc., the world’s leading quick service Italian restaurant chain , today announced the appointment of Dan Montgomery as CFO, effective immediately. Mr. Montgomery brings more than 17 years of finance, strategic planning and management experience to Sbarro.

Anthony Puglisi, Sbarro’s former CFO, will be leaving the company to pursue other interests. Pete Beaudrault, chief executive officer of Sbarro, Inc. said, “We appreciate Tony’s work and contributions over the past five years and wish him great success in his future endeavors.”

Mr. Montgomery began his career in corporate banking at NationsBank and became a Managing Director in the syndicated debt capital markets group at its successor Bank of America Securities. Following the events of 9/11, Mr. Montgomery was appointed as the Executive Director of the Air Transportation Stabilization Board, a congressionally authorized program to provide funding to the airline industry. Mr. Montgomery subsequently joined the financial consulting firm of Kroll Zolfo Cooper where he worked on a variety of assignments including Krispy Kreme Doughnuts. In 2006, Mr. Montgomery joined the corporate finance group of Oliver Wyman.

“We are delighted to welcome Dan to Sbarro” said Pete Beaudrault. “Dan brings a wealth of financial and operating experience from a broad array of industries. In addition, given his more recent experience, we believe Dan is exceptionally well suited to help Sbarro manage through the current market challenges.”

“Dan’s broad and diverse experience particularly managing leveraged companies will be beneficial to Sbarro as it manages its domestic business and expands its international footprint” said Rob Sharp, a Managing Director of MidOcean Partners, a leading private equity firm that acquired the Company in January of 2007.

Mr. Montgomery commented, “I am delighted to be joining Sbarro at such a key point in its development and it is an honor to work with the incredibly talented and dedicated management team.”

Mr. Montgomery holds a B.A. from Georgetown University and an MBA from the University of Texas.

About Sbarro

Based in Melville, New York, we believe we are the world’s leading Italian quick service restaurant concept and the largest shopping-mall focused restaurant concept in the world. We have over 1,000 restaurants in 43 countries. Sbarro restaurants feature a menu of popular Italian food, including pizza, a selection of pasta dishes and other hot

and cold Italian entrees, salads, sandwiches, drinks and desserts. Additional information is available at www.sbarro.com

About MidOcean Partners

MidOcean Partners is a premier private equity firm focused on the middle market. MidOcean is committed to investing in high quality companies with stable market positions and multiple opportunities for growth. MidOcean utilizes a broad foundation of expertise in its focus industries and its transatlantic platform to create value for its investors and partners. For more information about MidOcean Partners, please visit www.midoceanpartners.com.

Contact:

Stuart Steinberg
General Counsel and Secretary
(631) 715-4100