Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2009

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
PAPPAS RESTAURANTS 401(K) PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/1995

2a Plan sponsor's name and address (employer, if for a single-employer plan)
(Address should include room or suite no.)
PAPPAS RESTAURANTS, INC.

13939 NORTHWEST FREEWAY
HOUSTON, TX 77040

2b Employer Identification Number (EIN)
76-0193066

2c Sponsor's telephone number
713-803-5177

2d Business code (see instructions)
722110

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/06/2010	FRANK HUBBARD
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") PAPPAS RESTAURANTS, INC. 13939 NORTHWEST FREEWAY HOUSTON, TX 77040	**3b** Administrator's EIN 76-0193066 **3c** Administrator's telephone number 713-803-5177

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: **a** Sponsor's name	**4b** EIN **4c** PN	

5	Total number of participants at the beginning of the plan year	**5**	1120
6	Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a	Active participants	**6a**	950
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	68
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	1018
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	1018
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	641
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2E 2F 2G 2J 2K 2S 2T 3D

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)		**9b** Plan benefit arrangement (check all that apply)	
(1)	Insurance	**(1)**	Insurance
(2)	Code section 412(e)(3) insurance contracts	**(2)**	Code section 412(e)(3) insurance contracts
(3) X	Trust	**(3)** X	Trust
(4)	General assets of the sponsor	**(4)**	General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- **(1)** X **R** (Retirement Plan Information)
- **(2)** **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- **(3)** **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- **(1)** X **H** (Financial Information)
- **(2)** **I** (Financial Information – Small Plan)
- **(3)** ___ **A** (Insurance Information)
- **(4)** X **C** (Service Provider Information)
- **(5)** X **D** (DFE/Participating Plan Information)
- **(6)** **G** (Financial Transaction Schedules)

SCHEDULE C (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Service Provider Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan
PAPPAS RESTAURANTS 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
PAPPAS RESTAURANTS, INC.

D Employer Identification Number (EIN)
76-0193066

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . [X] Yes [ ] No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

AMERICAN CENTURY INVESTMENTS

44-6006315

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

AMERICAN FUNDS

95-1411037

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

GOLDMAN SACHS

13-5108880

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

MFS

04-2747644

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

OPPENHEIMER FUNDS

13-2527171

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

RAINIER

91-1457076

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

T. ROWE PRICE

52-2264646

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

WELLS FARGO BANK, N.A.

94-1347393

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 19 21 37 38 59 60 63	SERVICE PROV	0	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [ ] No [X]

(a) Enter name and EIN or address (see instructions)

WELLS FARGO BANK, N.A.

94-1347393

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 19 21 37 38 62	SERVICE PROV	0	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [ ] No [X]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN;
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN;
c Position:	
d Address:	**e** Telephone:

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan
PAPPAS RESTAURANTS 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
PAPPAS RESTAURANTS, INC.

D Employer Identification Number (EIN)
76-0193066

Part I **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: WELLS FARGO STABLE RETURN FUND N4

b Name of sponsor of entity listed in (a): WELLS FARGO BANK, N.A.

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
52-2251296-001	C	1641174

a Name of MTIA, CCT, PSA, or 103-12 IE: WELLS FARGO RUSSELL 2000 INDEX N

b Name of sponsor of entity listed in (a): WELLS FARGO BANK, N.A.

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
94-3316721-001	C	14034

a Name of MTIA, CCT, PSA, or 103-12 IE: WELLS FARGO COLLECTIVE S&P MIDCAP I

b Name of sponsor of entity listed in (a): WELLS FARGO BANK, N.A.

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
94-3224226-001	C	16500

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

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b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan
PAPPAS RESTAURANTS 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
PAPPAS RESTAURANTS, INC.

D Employer Identification Number (EIN)
76-0193066

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	144589	164810
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	548486	578527
(9) Value of interest in common/collective trusts	1c(9)	1108915	1671708
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	5942015	7926207
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)		
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	7744005	10341252
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	7744005	10341252

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

	Income		(a) Amount	(b) Total
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	164810	
	(B) Participants	2a(1)(B)	1095503	
	(C) Others (including rollovers)	2a(1)(C)	75956	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		1336269
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)	37557	
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		37557
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)		
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	118704	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		118704
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0

			(a) Amount	(b) Total
2b	(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
	(B) Other	2b(5)(B)		
	(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
	(6) Net investment gain (loss) from common/collective trusts	2b(6)		46414
	(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
	(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
	(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
	(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		1703024
c	Other income	2c		
d	Total income. Add all **income** amounts in column (b) and enter total	2d		3241968
	Expenses			
e	Benefit payment and payments to provide benefits:			
	(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	580155	
	(2) To insurance carriers for the provision of benefits	2e(2)		
	(3) Other	2e(3)		
	(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		580155
f	Corrective distributions (see instructions)	2f		
g	Certain deemed distributions of participant loans (see instructions)	2g		
h	Interest expense	2h		
i	Administrative expenses: (1) Professional fees	2i(1)		
	(2) Contract administrator fees	2i(2)		
	(3) Investment advisory and management fees	2i(3)		
	(4) Other	2i(4)		
	(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		0
j	Total expenses. Add all **expense** amounts in column (b) and enter total	2j		580155
	Net Income and Reconciliation			
k	Net income (loss). Subtract line 2j from line 2d	2k		2661813
l	Transfers of assets:			
	(1) To this plan	2l(1)		
	(2) From this plan	2l(2)		64566

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [ ] Unqualified **(2)** [ ] Qualified **(3)** [X] Disclaimer **(4)** [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: WEINSTEIN SPIRA CO **(2)** EIN: 74-2181616

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. **(2)** [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		1000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If yes, enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)
EMERALD FOODS INC 401K AND RETIREMENT PLAN	76-0339940	001

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan
PAPPAS RESTAURANTS 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
PAPPAS RESTAURANTS, INC.

D Employer Identification Number (EIN)
76-0193066

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 41-6257133

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. **3**

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

PAPPAS RESTAURANTS 401(K) PLAN

Houston, Texas

ANNUAL FINANCIAL REPORT

December 31, 2009

WEINSTEIN SPIRA & COMPANY

Certified Public Accountants
and Business Advisors

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All other schedules listed by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 are omitted, as they are not applicable.

WEINSTEIN SPIRA & COMPANY

Certified Public Accountants
and Business Advisors

Independent Auditors' Report

August 3, 2010

Plan Administrative Committee
Pappas Restaurants 401(k) Plan
Houston, Texas

We were engaged to audit the accompanying Statements of Net Assets Available for Plan Benefits of the Pappas Restaurants 401(k) Plan as of December 31, 2009 and 2008, the related Statement of Changes in Net Assets Available for Plan Benefits for the year ended December 31, 2009, and the supplementary Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2009. These financial statements and supplementary schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Wells Fargo Bank, N.A., the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplementary schedule. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2009 and 2008, and for the year ended December 31, 2009, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information in the Plan's financial statements that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplementary schedule taken as a whole. The form and content of the information included in the financial statements and supplementary schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Weinstein Spira & Company, P.C.

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A worldwide association of separate and independent accounting and consulting firms.

PAPPAS RESTAURANTS 401(K) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS

	December 31, 2009	December 31, 2008
ASSETS		
Investments, at Fair Value	$ 10,179,726	$ 7,540,617
Employer Contributions Receivable	164,810	144,589
Net Assets Available for Plan Benefits, at Fair Value	10,344,536	7,685,206
Adjustment from fair value to contract value for interest in a common/collective trust fund relating to a fully benefit-responsive investment contract	(3,284)	58,799
Net Assets Available for Plan Benefits	$ 10,341,252	$ 7,744,005

See accompanying notes to financial statements

PAPPAS RESTAURANTS 401(K) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS
For the Year Ended December 31, 2009

Contributions:	
Employee	$ 1,095,503
Employer	164,810
Rollover	75,956
Total Contributions	1,336,269
Investment Income:	
Interest and dividends	156,261
Net appreciation in fair value of investments	1,749,438
Net Investment Gain	1,905,699
Benefit Payments	(580,155)
Transfers Out	(64,566)
Net Increase	2,597,247
Net Assets Available for Plan Benefits - Beginning of Year	7,744,005
Net Assets Available for Plan Benefits - End of Year	$ 10,341,252

See accompanying notes to financial statements.

PAPPAS RESTAURANTS 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

Note 1 - Plan Description

The following brief description of the Pappas Restaurants 401(k) Plan (the Plan) is provided for general information only Participants should refer to the Plan document for more complete information.

The Plan is a defined contribution plan covering eligible employees of Pappas Restaurants, Inc (the Company) and is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan was adopted by the Company on January 1, 1995 The Company is named as the plan administrator in the Plan document. Wells Fargo Bank, N.A. (the trustee) serves as the trustee and third-party administrator for the Plan.

During 2009, the Company sold a wholly-owned subsidiary to a third party. The assets associated with this subsidiary were transferred out of the Plan and into the third party's plan.

The Plan is provided for all employees who are not leased employees or highly compensated employees. Participation is available for eligible employees who have completed one hour of service. Eligible employees are automatically enrolled into the Plan and have 3% of their eligible wages deferred, unless a lesser percentage (including zero) or higher percentage is elected. The Plan includes a savings feature designed to permit the employee and the Company to contribute to the Plan, allowable under Section 401(k) of the Internal Revenue Code (IRC). Employee contributions are made to the Plan by electing to defer a percentage of the employee's compensation and are fully vested at all times. Eligible participants who have attained age 50 before the close of the Plan year are eligible to make catch-up contributions subject to limitations of the IRC.

The Company may elect to make matching contributions in an amount to be determined by the Company. For the year ended December 31, 2009, the Company made matching contributions in an amount equal to 25% of the employee's contribution up to 1% of the employee's eligible wages. The Company may also contribute an amount on a discretionary profit sharing basis. A discretionary profit sharing contribution was not made for the year ended December 31, 2009 A participant must be employed at the end of the plan year and have completed 1,000 hours of service to receive either employer contribution. Participants are fully vested in all employer contributions on the date of contribution

Amounts due to the plan sponsor for corrections of overfunding employer discretionary matching contributions are used to reduce future employer contributions. During 2009 there was no overfunding of employer discretionary matching contributions used to reduce employer discretionary matching contributions

Upon enrollment in the Plan, a participant may direct the trustee with regard to the investment of his or her account balances. Participants may change their investment options at any time

Under the Plan, earnings and losses are allocated daily to the participants' accounts according to an allocation formula, based on the results of the participants' investments, that is provided in the Plan document. Additionally, the Plan may make a loan to a participant from the fund, subject to the provisions of the Plan.

Distributions may be made to participants upon termination of employment, retirement or death, or to active participants due to hardship. Upon withdrawal from the Plan or termination of employment, participants may be subject to federal income tax on contributions and income earned.

Note 2 - Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Plan invests in investment contracts through the Wells Fargo Collective Stable Return Fund N4, a fully benefit-responsive common/collective trust fund. The Statement of Net Assets Available for Plan Benefits presents the fair value of the investment in the common/collective trust as well as the adjustment of the investment in the common/collective trust from fair value to contract value relating to the investment contracts. The Statement of Changes in Net Assets Available for Plan Benefits is prepared on a contract value basis.

The other common/collective trust funds held by the Plan do not hold investment contracts and are reported at fair value.

Valuation of Investments

Investments of the Plan are reflected at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date, and interest is recorded as earned. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Benefits Payments

Benefits are recorded when paid.

Administrative Expenses

Loan fees and certain transactional charges are paid by participants, and all other administrative costs are paid by the Company.

Risks and Uncertainties

The Plan provides for investments in mutual funds and a common/collective trust fund. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the value of investments will occur in the near term and may impact the financial position of the Plan.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require the plan administrator to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through August 3, 2010, which is the date the financial statements were available to be issued.

Note 3 - Information Certified by the Plan's Trustee

The plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Wells Fargo Bank, N.A., the trustee of the Plan, has certified the completeness and accuracy of all investments reflected on the accompanying Statements of Net Assets Available for Plan Benefits as of December 31, 2009 and 2008 (excluding the adjustment from fair value to contract value for the interest in a common/collective trust fund), the supplementary Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2009, the related investment activity reflected in the Statement of Changes in Net Assets Available for Plan Benefits for the year ended December 31, 2009, and investment information in the related financial statement footnotes.

The Plan's independent auditors did not perform auditing procedures with respect to this information except for comparing such information to the related information included in the financial statements, supplementary schedule and accompanying notes.

Note 4 - Investments

The following information included in the accompanying financial statements and supplementary schedule was obtained from data that has been prepared and certified as complete and accurate by the trustee in 2009 and 2008:

	2009	2008
Investments, at Fair Value:		
American Century Equity Growth Fund		$ 703,223 *
American Funds AMCAP Fund	$ 718,293 *	567,135 *
Goldman Sachs Midcap Value A Fund	286,547	226,101
Goldman Sachs Tollkeeper Fund A	482,507	284,365
MFS International Value Fund A	572,001 *	467,177 *
MFS Value A Fund	302,403	268,291
Oppenheimer Developing Markets Fund A	847,055 *	406,286*
Rainier Small/Mid Cap Fund	709,899 *	562,657 *
T. Rowe Price Capital Appreciation Fund	372,402	266,290
Wells Fargo Advantage Index Fund	1,444,014 *	552,730 *
Wells Fargo Advantage Total Return Bond Fund I	867,993 *	777,645 *
Wells Fargo Advantage Dow Jones Target 2020 Fund	543,260 *	465,594 *
Wells Fargo Advantage Dow Jones Target 2030 Fund	144,340	88,434
Wells Fargo Advantage Dow Jones Target 2040 Fund	220,936	120,391
Wells Fargo Advantage Dow Jones Target Today Fund	36,217	13,106
Wells Fargo Advantage Dow Jones Target 2010 Fund	14,264	1,419
Wells Fargo Advantage Dow Jones Target 2050 Fund	170,006	41,137
Wells Fargo Advantage Small Cap Value A Fund	194,070	130,034
Wells Fargo Collective Russell 2000 Index Fund	14,034	
Wells Fargo Collective S&P Midcap Index Fund	16,500	
Wells Fargo Stable Return Fund N4 (contract value $1,641,174 and $1,108,915 at December 31, 2009 and 2008, respectively)	1,644,458 *	1,050,116 *
Participant Loans	578,527 *	548,486 *
	$ 10,179,726	$ 7,540,617

* Represents an investment that is five percent or more of the Plan's assets as of December 2009 and 2008, respectively

During 2009, the Plan's investments (including gains and losses on investments bought and sold as well as held during the year) appreciated in value as follows:

	For the Year Ended December 31, 2009
Net appreciation in fair value of mutual funds	$ 1,706,819
Net appreciation in fair value of common/ collective trust fund	42,619
	$ 1,749,438

Note 5 - Fair Value Measurements

The Financial Accounting Standards Board *Accounting Standards Codification section 820, Fair Value Measurements and Disclosures* (FASB ASC 820) provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

Mutual Funds. These funds are valued based on quoted market prices.

Common/Collective Trust Fund: The Wells Fargo Stable Return Fund N4 is valued by the issuer based on quoted market prices of the underlying investments. The Wells Fargo Collective Stable Return Fund N4 is comprised primarily of investment contracts and security-backed contracts (SBCs).

Participant Loans. These investments are valued at amortized cost.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2009:

	Level 1	Level 2	Level 3	Total
Mutual funds:				
Equity funds	$ 4,876,119			$ 4,876,119
Bond funds	867,993			867,993
Balanced funds	2,182,095			2,182,095
	7,926,207			7,926,207
Common/collective trust fund		$ 1,674,992		1,674,992
Participant loans			$ 578,527	578,527
Total investments at fair value	$ 7,926,207	$ 1,674,992	$ 578,527	$ 10,179,726

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2008:

	Level 1	Level 2	Level 3	Total
Mutual funds	$ 5,942,015			$ 5,942,015
Common/collective trust fund		$ 1,050,116		1,050,116
Participant loans			$ 548,486	548,486
Total investments at fair value	$ 5,942,015	$ 1,050,116	$ 548,486	$ 7,540,617

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the year ended December 31, 2009:

	Participant Loans
Balance, beginning of year	$ 548,486
Issuances and repayments (net)	30,041
Balance, end of year	$ 578,527

Note 6 - Participant Loans

Participant loans are advances to participants secured by their equity interest as allowed in the Plan document. Interest rates are based on rates available at commercial lending institutions. The loans are repaid through payroll deductions. A participant may not have more than one loan outstanding at any time. Loans issued are no less than $1,000, with a maximum value limited to the lesser of $50,000 or one-half of the participant's vested balance. Loan terms are limited to five years unless for the purchase of a primary residence.

Note 7 - Federal Income Tax

The Plan has received a determination letter dated January 22, 2009 from the Internal Revenue Service exempting it from federal income taxes. Although the Plan has been amended since the period covered by the determination letter, the plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Note 8 - Party-In-Interest Transactions

Certain Plan investments are shares of mutual funds and a common/collective trust fund managed by the trustee, or an affiliate of the trustee, who are considered parties-in-interest with respect to the Plan These transactions are covered by an exemption from the "prohibited transaction" provisions of ERISA and the IRC.

Note 9 - Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA.

SUPPLEMENTARY INFORMATION

PAPPAS RESTAURANTS 401(K) PLAN
SPONSOR'S EIN: 76-0193066
PLAN NUMBER: 001
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2009

	(a) (b) Issuer, or Similar Party	(c) Description of Investment		(e) Current Value
		Mutual Funds:		
	American Funds	American Funds AMCAP Fund	$	718,293
	Goldman Sachs	Goldman Sachs Midcap Value A Fund		286,547
	Goldman Sachs	Goldman Sachs Tollkeeper Fund A		482,507
	MFS Investment Management	MFS International Value Fund A		572,001
	MFS Investment Management	MFS Value A Fund		302,403
	Oppenheimer Trust Company	Oppenheimer Developing Markets Fund A		847,055
	Rainier Investment Management, Inc	Rainier Small/Mid Cap Fund		709,899
	T Rowe Price Funds	T. Rowe Price Capital Appreciation Fund		372,402
*	Wells Fargo Bank	Wells Fargo Advantage Index Fund		1,444,014
*	Wells Fargo Bank	Wells Fargo Advantage Total Return Bond Fund I		867,993
*	Wells Fargo Bank	Wells Fargo Advantage Dow Jones Target 2020 Fund		543,260
*	Wells Fargo Bank	Wells Fargo Advantage Dow Jones Target 2030 Fund		144,340
*	Wells Fargo Bank	Wells Fargo Advantage Dow Jones Target 2040 Fund		220,936
*	Wells Fargo Bank	Wells Fargo Advantage Dow Jones Target Today Fund		36,217
*	Wells Fargo Bank	Wells Fargo Advantage Dow Jones Target 2010 Fund		14,264
*	Wells Fargo Bank	Wells Fargo Advantage Dow Jones Target 2050 Fund		170,006
*	Wells Fargo Bank	Wells Fargo Advantage Small Cap Value A Fund		194,070
		Total Mutual Funds		7,926,207
		Common/Collective Trust Fund:		
*	Wells Fargo Bank	Wells Fargo Stable Return Fund N4	(1)	1,641,174
*	Wells Fargo Bank	Wells Fargo Collective Russell 2000 Index Fund		14,034
*	Wells Fargo Bank	Wells Fargo Collective S&P Midcap Index Fund		16,500
		Total Common/Collective Trust Funds		1,671,708
		Participant Loans:		
*	Participant Loans	Interest rates ranging from 4.25% to 9.25%		578,527
		Total Investments		$ 10,176,442

* Indicates a party in interest

(1) Amount represents contract value as reported on the Form 5500

This schedule has been prepared from information certified by Wells Fargo Bank, N.A. as complete and accurate.

Schedule H Line 4i—
Schedule of Assets Held for Investment Purposes at End of Year
For plan year ending December 31, 2009

PAPPAS RESTAURANT, INC. EIN:760193066
PAPPAS RESTAURANTS PLAN #:001
401(K) PLAN

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(e) Current value
*	WF COLL STABLE RETURN (N4)	Common/Collective Fund	1,641,174.13
*	WF ADVTG TOTAL RETURN BOND-ADM	Registered Investment Company	867,992.86
	T ROWE PRICE CAP APPRECIATION	Registered Investment Company	372,401.69
*	WF ADVTG DOW JONES TRGT TODAY	Registered Investment Company	36,216.56
*	WF ADVTG DOW JONES TRGT 2010	Registered Investment Company	14,263.71
*	WF ADVTG DOW JONES TRGT 2020	Registered Investment Company	543,260.31
*	WF ADVTG DOW JONES TARGET 2030	Registered Investment Company	144,339.51
*	WF ADVTG DOW JONES TARGET 2040	Registered Investment Company	220,935.74
*	WF ADVTG DOW JONES TARGET 2050	Registered Investment Company	170,005.98
*	WF ADVANTAGE INDEX FUND-ADM	Registered Investment Company	1,444,013.56
	AMERICAN FUNDS AMCAP FUND	Registered Investment Company	718,293.44
*	WF COLL RUSSELL 2000 INDEX N	Common/Collective Fund	14,034.20
	GOLDMAN SACHS MIDCAP VALUE A	Registered Investment Company	286,546.72
	RAINIER SMALL/MID CAP	Registered Investment Company	709,899.23
*	WF COLLECTIVE S&P MIDCAP IND N	Common/Collective Fund	16,500.42
*	WF ADVTG SMALL CAP VALUE - INV	Registered Investment Company	194,069.82
	MFS INTERNATIONAL VALUE	Registered Investment Company	572,001.27
	OPPENHEIMER DEVELOPING MARKETS	Registered Investment Company	847,055.06
	GOLDMAN SACHS TOLLKEEPER (A)	Registered Investment Company	482,507.37
	MFS VALUE FUND	Registered Investment Company	302,402.84
*	LOAN FUND	Various Int Rates and Mat Dates	578,527.59
	Total assets held for investment purposes		10,176,442.01

* Represents a party in interest to the plan

PAPPAS RESTAURANTS 401(K) PLAN

Houston, Texas

ANNUAL FINANCIAL REPORT

December 31, 2009

WEINSTEIN SPIRA & COMPANY

Certified Public Accountants
and Business Advisors

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All other schedules listed by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 are omitted, as they are not applicable.

WEINSTEIN SPIRA & COMPANY

Certified Public Accountants
and Business Advisors

Independent Auditors' Report

August 3, 2010

Plan Administrative Committee
Pappas Restaurants 401(k) Plan
Houston, Texas

We were engaged to audit the accompanying Statements of Net Assets Available for Plan Benefits of the Pappas Restaurants 401(k) Plan as of December 31, 2009 and 2008, the related Statement of Changes in Net Assets Available for Plan Benefits for the year ended December 31, 2009, and the supplementary Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2009. These financial statements and supplementary schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Wells Fargo Bank, N.A., the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplementary schedule. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2009 and 2008, and for the year ended December 31, 2009, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information in the Plan's financial statements that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplementary schedule taken as a whole. The form and content of the information included in the financial statements and supplementary schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Weinstein Spira & Company, P.C.

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A worldwide association of separate and independent accounting and consulting firms.

PAPPAS RESTAURANTS 401(K) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS

	December 31, 2009	December 31, 2008
ASSETS		
Investments, at Fair Value	$ 10,179,726	$ 7,540,617
Employer Contributions Receivable	164,810	144,589
Net Assets Available for Plan Benefits, at Fair Value	10,344,536	7,685,206
Adjustment from fair value to contract value for interest in a common/collective trust fund relating to a fully benefit-responsive investment contract	(3,284)	58,799
Net Assets Available for Plan Benefits	$ 10,341,252	$ 7,744,005

See accompanying notes to financial statements

PAPPAS RESTAURANTS 401(K) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS
For the Year Ended December 31, 2009

Contributions:	
Employee	$ 1,095,503
Employer	164,810
Rollover	75,956
Total Contributions	1,336,269
Investment Income:	
Interest and dividends	156,261
Net appreciation in fair value of investments	1,749,438
Net Investment Gain	1,905,699
Benefit Payments	(580,155)
Transfers Out	(64,566)
Net Increase	2,597,247
Net Assets Available for Plan Benefits - Beginning of Year	7,744,005
Net Assets Available for Plan Benefits - End of Year	$ 10,341,252

See accompanying notes to financial statements.

PAPPAS RESTAURANTS 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

Note 1 - Plan Description

The following brief description of the Pappas Restaurants 401(k) Plan (the Plan) is provided for general information only Participants should refer to the Plan document for more complete information.

The Plan is a defined contribution plan covering eligible employees of Pappas Restaurants, Inc (the Company) and is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan was adopted by the Company on January 1, 1995 The Company is named as the plan administrator in the Plan document. Wells Fargo Bank, N.A. (the trustee) serves as the trustee and third-party administrator for the Plan.

During 2009, the Company sold a wholly-owned subsidiary to a third party. The assets associated with this subsidiary were transferred out of the Plan and into the third party's plan.

The Plan is provided for all employees who are not leased employees or highly compensated employees. Participation is available for eligible employees who have completed one hour of service. Eligible employees are automatically enrolled into the Plan and have 3% of their eligible wages deferred, unless a lesser percentage (including zero) or higher percentage is elected. The Plan includes a savings feature designed to permit the employee and the Company to contribute to the Plan, allowable under Section 401(k) of the Internal Revenue Code (IRC). Employee contributions are made to the Plan by electing to defer a percentage of the employee's compensation and are fully vested at all times. Eligible participants who have attained age 50 before the close of the Plan year are eligible to make catch-up contributions subject to limitations of the IRC.

The Company may elect to make matching contributions in an amount to be determined by the Company. For the year ended December 31, 2009, the Company made matching contributions in an amount equal to 25% of the employee's contribution up to 1% of the employee's eligible wages. The Company may also contribute an amount on a discretionary profit sharing basis. A discretionary profit sharing contribution was not made for the year ended December 31, 2009 A participant must be employed at the end of the plan year and have completed 1,000 hours of service to receive either employer contribution. Participants are fully vested in all employer contributions on the date of contribution

Amounts due to the plan sponsor for corrections of overfunding employer discretionary matching contributions are used to reduce future employer contributions. During 2009 there was no overfunding of employer discretionary matching contributions used to reduce employer discretionary matching contributions

Upon enrollment in the Plan, a participant may direct the trustee with regard to the investment of his or her account balances. Participants may change their investment options at any time

Under the Plan, earnings and losses are allocated daily to the participants' accounts according to an allocation formula, based on the results of the participants' investments, that is provided in the Plan document. Additionally, the Plan may make a loan to a participant from the fund, subject to the provisions of the Plan.

Distributions may be made to participants upon termination of employment, retirement or death, or to active participants due to hardship. Upon withdrawal from the Plan or termination of employment, participants may be subject to federal income tax on contributions and income earned.

Note 2 - Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Plan invests in investment contracts through the Wells Fargo Collective Stable Return Fund N4, a fully benefit-responsive common/collective trust fund. The Statement of Net Assets Available for Plan Benefits presents the fair value of the investment in the common/collective trust as well as the adjustment of the investment in the common/collective trust from fair value to contract value relating to the investment contracts. The Statement of Changes in Net Assets Available for Plan Benefits is prepared on a contract value basis.

The other common/collective trust funds held by the Plan do not hold investment contracts and are reported at fair value.

Valuation of Investments

Investments of the Plan are reflected at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date, and interest is recorded as earned. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Benefits Payments

Benefits are recorded when paid.

Administrative Expenses

Loan fees and certain transactional charges are paid by participants, and all other administrative costs are paid by the Company.

Risks and Uncertainties

The Plan provides for investments in mutual funds and a common/collective trust fund. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the value of investments will occur in the near term and may impact the financial position of the Plan.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require the plan administrator to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through August 3, 2010, which is the date the financial statements were available to be issued.

Note 3 - Information Certified by the Plan's Trustee

The plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Wells Fargo Bank, N.A., the trustee of the Plan, has certified the completeness and accuracy of all investments reflected on the accompanying Statements of Net Assets Available for Plan Benefits as of December 31, 2009 and 2008 (excluding the adjustment from fair value to contract value for the interest in a common/collective trust fund), the supplementary Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2009, the related investment activity reflected in the Statement of Changes in Net Assets Available for Plan Benefits for the year ended December 31, 2009, and investment information in the related financial statement footnotes.

The Plan's independent auditors did not perform auditing procedures with respect to this information except for comparing such information to the related information included in the financial statements, supplementary schedule and accompanying notes.

Note 4 - Investments

The following information included in the accompanying financial statements and supplementary schedule was obtained from data that has been prepared and certified as complete and accurate by the trustee in 2009 and 2008:

	2009	2008
Investments, at Fair Value:		
American Century Equity Growth Fund		$ 703,223 *
American Funds AMCAP Fund	$ 718,293 *	567,135 *
Goldman Sachs Midcap Value A Fund	286,547	226,101
Goldman Sachs Tollkeeper Fund A	482,507	284,365
MFS International Value Fund A	572,001 *	467,177 *
MFS Value A Fund	302,403	268,291
Oppenheimer Developing Markets Fund A	847,055 *	406,286*
Rainier Small/Mid Cap Fund	709,899 *	562,657 *
T. Rowe Price Capital Appreciation Fund	372,402	266,290
Wells Fargo Advantage Index Fund	1,444,014 *	552,730 *
Wells Fargo Advantage Total Return Bond Fund I	867,993 *	777,645 *
Wells Fargo Advantage Dow Jones Target 2020 Fund	543,260 *	465,594 *
Wells Fargo Advantage Dow Jones Target 2030 Fund	144,340	88,434
Wells Fargo Advantage Dow Jones Target 2040 Fund	220,936	120,391
Wells Fargo Advantage Dow Jones Target Today Fund	36,217	13,106
Wells Fargo Advantage Dow Jones Target 2010 Fund	14,264	1,419
Wells Fargo Advantage Dow Jones Target 2050 Fund	170,006	41,137
Wells Fargo Advantage Small Cap Value A Fund	194,070	130,034
Wells Fargo Collective Russell 2000 Index Fund	14,034	
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Wells Fargo Stable Return Fund N4 (contract value $1,641,174 and $1,108,915 at December 31, 2009 and 2008, respectively)	1,644,458 *	1,050,116 *
Participant Loans	578,527 *	548,486 *
	$ 10,179,726	$ 7,540,617

* Represents an investment that is five percent or more of the Plan's assets as of December 2009 and 2008, respectively

During 2009, the Plan's investments (including gains and losses on investments bought and sold as well as held during the year) appreciated in value as follows:

	For the Year Ended December 31, 2009
Net appreciation in fair value of mutual funds	$ 1,706,819
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SUPPLEMENTARY INFORMATION

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PLAN NUMBER: 001
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December 31, 2009

	(a) (b) Issuer, or Similar Party	(c) Description of Investment		(e) Current Value
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*	Wells Fargo Bank	Wells Fargo Advantage Dow Jones Target 2040 Fund		220,936
*	Wells Fargo Bank	Wells Fargo Advantage Dow Jones Target Today Fund		36,217
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*	Wells Fargo Bank	Wells Fargo Advantage Dow Jones Target 2050 Fund		170,006
*	Wells Fargo Bank	Wells Fargo Advantage Small Cap Value A Fund		194,070
		Total Mutual Funds		7,926,207
		Common/Collective Trust Fund:		
*	Wells Fargo Bank	Wells Fargo Stable Return Fund N4	(1)	1,641,174
*	Wells Fargo Bank	Wells Fargo Collective Russell 2000 Index Fund		14,034
*	Wells Fargo Bank	Wells Fargo Collective S&P Midcap Index Fund		16,500
		Total Common/Collective Trust Funds		1,671,708
		Participant Loans:		
*	Participant Loans	Interest rates ranging from 4.25% to 9.25%		578,527
		Total Investments		$ 10,176,442

* Indicates a party in interest

(1) Amount represents contract value as reported on the Form 5500

This schedule has been prepared from information certified by Wells Fargo Bank, N.A. as complete and accurate.