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
PANDA RETIREMENT PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/1992

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

1683 WALNUT GROVE AVENUE
ROSEMEAD, CA 91770-3711

2b Employer Identification Number (EIN)
95-4065005

2c Sponsor's telephone number
626-372-8249

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.	10/13/2010	DAN SHEEHY
	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")
PANDA RESTAURANT GROUP, INC.

1683 WALNUT GROVE AVENUE
ROSEMEAD, CA 91770-3711

3b Administrator's EIN
95-4065005

3c Administrator's telephone number
626-372-8249

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**	13151
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**	13099
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	286
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	13385
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	13385
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	2008
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 2G 2J 2K 2F 3D 2R

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)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(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)		0	**A** (Insurance Information)
(4)	X		**C** (Service Provider Information)
(5)			**D** (DFE/Participating Plan Information)
(6)			**G** (Financial Transaction Schedules)

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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.**	**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
PANDA RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
PANDA RESTAURANT GROUP, INC.

D Employer Identification Number (EIN)
95-4065005

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).. . . . . ☐ 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

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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)

WESPAC PLAN SERVICES, LLC.

2001 BROADWAY, FLOOR 2
OAKLAND, CA 94612

26-2824865

(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?
64	NONE	94526	Yes [ ] No [X]	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?
64	NONE	94526	Yes [ ] No [X]	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 ☐

(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

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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 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
PANDA RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
PANDA RESTAURANT GROUP, INC.

D Employer Identification Number (EIN)
95-4065005

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)		
(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)	1151455	1476766
(9) Value of interest in common/collective trusts	1c(9)		
(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)	43213352	61471753
(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	44364807	62948519
	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	44364807	62948519

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)	2350682	
	(B) Participants	2a(1)(B)	6965072	
	(C) Others (including rollovers)	2a(1)(C)	45954	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		9361708
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)	72036	
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		72036
	(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)		
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
	(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)		
(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)		11734761
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		21168505
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	2489849	
(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)		2489849
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)	94366	
(3) Investment advisory and management fees	2i(3)	160	
(4) Other	2i(4)	418	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		94944
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		2584793
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		18583712
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

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: STANISLAWSKI & HARRISON **(2)** EIN: 95-4749365

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		500000
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)

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
PANDA RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
PANDA RESTAURANT GROUP, INC.

D Employer Identification Number (EIN)
95-4065005

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): 94-3149038

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):

EIN: 95-4065005
Plan Number: 001

PANDA RESTAURANT GROUP, INC. AND SUBSIDIARIES
PANDA RETIREMENT PLAN

FINANCIAL STATEMENTS

December 31, 2009
And For The Year Then Ended

Together with Independent Auditors' Report

PANDA RESTAURANT GROUP, INC. AND SUBSIDIARIES
PANDA RETIREMENT PLAN

December 31, 2009

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All other schedules are omitted because they are not required or are not applicable based on disclosure requirements of the Employee Retirement Income Security Act of 1974 and Rules and Regulations for Reporting and Disclosure issued by the Department of Labor.

STANISLAWSKI & HARRISON
CERTIFIED PUBLIC ACCOUNTANTS
AN ACCOUNTANCY CORPORATION

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Fax: 626-793-3631
E-mail: info@snh-cpa.com

301 N. Lake Avenue
Suite 900
Pasadena, CA 91101-4108

Independent Auditors' Report

The Trustees of the Panda Restaurant Group, Inc. and Subsidiaries
Panda Retirement Plan:

We were engaged to audit the accompanying statements of net assets available for plan benefits of the Panda Restaurant Group, Inc. and Subsidiaries Panda Retirement Plan (the "Plan") as of December 31, 2009 and 2008, and the related statement of changes in net assets available for plan benefits for the year ended December 31, 2009 and supplemental schedule of Schedule H, line 4i – Schedule of Assets Held (At End of Year) as of December 31, 2009. These financial statements and the supplemental 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 5 of notes to financial statements (with the exception of participant loans), which was certified by Charles Schwab Trust Company ("Charles Schwab"), the custodian and the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan administrator that Charles Schwab holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from Charles Schwab as of December 31, 2009, and for the year then ended that the information provided to the Plan administrator by Charles Schwab is complete and accurate.

Because of the significance of the information in the Plan's financial statements and supplemental schedules that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by Charles Schwab, 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.

Stanislawski & Harrison

STANISLAWSKI & HARRISON

October 12, 2010

PANDA RESTAURANT GROUP, INC. AND SUBSIDIARIES
PANDA RETIREMENT PLAN
Statements of Net Assets Available for Plan Benefits
December 31, 2009 and 2008

Assets

	2009	2008
Cash	$ -	$ 20,477
Investments, at fair value (Notes 3 and 4)	62,948,519	44,344,329
Net assets available for plan benefits	$ 62,948,519	$ 44,364,806

The independent auditors' report should be read with these financial statements
The accompanying notes are an integral part of these financial statements

PANDA RESTAURANT GROUP, INC. AND SUBSIDIARIES
PANDA RETIREMENT PLAN
Statement of Changes in Net Assets Available for Plan Benefits
For the Year Ended December 31, 2009

Net assets available for plan benefits at beginning of year	$ 44,364,806
Additions to net assets:	
Investment income:	
Net realized and unrealized appreciation in fair value of investments (Note 3)	10,649,555
Interest and dividend income	1,157,243
Total investment income	11,806,798
Contributions:	
Employee	6,965,072
Employer	2,350,683
Rollovers	45,954
Total contributions	9,361,709
Total additions	21,168,507
Deductions from net assets:	
Benefit payments to participants	2,489,849
Contract asset charges (Note 7)	94,945
Total deductions	2,584,794
Change in net assets	18,583,713
Net assets available for plan benefits at end of year	$ 62,948,519

PANDA RESTAURANT GROUP, INC. AND SUBSIDIARIES
PANDA RETIREMENT PLAN
Notes to Financial Statements
December 31, 2009

(1) DESCRIPTION OF PLAN

The following description of the Panda Restaurant Group, Inc. and Subsidiaries Panda Retirement Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General - The Plan is a defined contribution 401(k) plan established in 1992 covering certain employees of Panda Restaurant Group, Inc. and Subsidiaries (the Company and Sponsor) who have satisfied the eligibility requirements. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The primary eligibility requirement is that an employee must have attained age 21. An employee has to work for one year to become eligible for the Company matching contributions.

Plan Administration - The Company is the Plan administrator. Charles Schwab Trust Company is the custodian and trustee of the Plan.

Contributions - Contributions to the Plan are made by the participants and the Company may make the following discretionary contributions.

Safe Harbor Matching Contribution – For each Plan year in which such contribution is elected, it will be an amount equal to the sum of 100% of the first 3% of compensation that is deferred and a contribution of 50% of the next 2% of compensation that is deferred. Participants are eligible for such contributions if at least 21 years of age, are employed by the Company on the applicable entry date, have completed one year of service and are eligible employees, as defined (which excludes highly compensated employees based upon IRS rules).

Non-Safe Harbor Matching Contribution – The amount and frequency of such contributions is completely discretionary. Participants are eligible for such contributions if at least 21 years of age, are employed by the Company on the applicable entry date, have completed one year of service and are eligible employees, as defined. The contribution for non-highly compensated employees will not exceed 100% of his or her Plan contributions that do not exceed 3% of compensation plus 50% of the next 2% of compensation that is deferred. The contribution for highly compensated employees will not exceed 25% of his or her Plan contributions that do not exceed 4% of compensation.

Non-Elective Contributions – These contributions are completely discretionary. Eligibility is the same as the non-safe harbor matching contributions.

The Plan provides that participants who are projected to be age 50 or older by the end of the calendar year and who are making deferral contributions to the Plan may also make a catch-up contribution of up to $5,000, and such amount is indexed to inflation in $500 increments.

PANDA RESTAURANT GROUP, INC. AND SUBSIDIARIES
PANDA RETIREMENT PLAN
Notes to Financial Statements
December 31, 2009

(1) DESCRIPTION OF PLAN (Continued)

Participant Accounts - Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution and (b) Plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant account balances.

Participants may direct the investment of their accounts. Participants are allowed to choose from any investment alternatives designated by the trustee, which may include stocks, bonds and mutual funds. The trustee maintains the right to limit the choice of investment vehicles and firms. All earnings and losses on directed investments are credited to participants' accounts. Participants are able to switch between investment alternatives as often as permitted under the investment vehicles they choose.

Vesting - Participants who terminate employment are entitled to all of their contributions plus all of the earnings thereon as well as employer's safe harbor contributions. Vesting in the Company's non-safe harbor and non-elective contributions is based on years of service as follows:

Years of service	Vested %
Less than 1 year	0%
1 year	20
2 years	40
3 years	60
4 years	80
5 years or more	100

Investment Options - Participants may direct contributions among investment options consisting of various mutual funds and personal choice investments. Contributions may be split between all funds.

Participant Loans - Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum of $50,000 or 50% of their vested interest, whichever is less. The loans are secured by the balance in the participant's account and bear a rate of interest determined when the loan is made. Loans must be paid within five years by equal payments through payroll deductions.

Payment of Benefits - Participants are fully vested and entitled to receive their full account balance upon retirement, disability or death. Normal retirement date is the first day of the Plan quarter coinciding with or following the date when the participant reaches 65 years of age.

Following termination of employment, termination benefits will normally be paid at normal retirement date. However, distribution of vested account balances may be made to participants following termination of employment. Following a participant's death, distribution of vested account balances will be made to the designated beneficiary or beneficiaries. In-service withdrawals from pretax contributions can only be made upon the participant's ability to prove financial hardship.

PANDA RESTAURANT GROUP, INC. AND SUBSIDIARIES
PANDA RETIREMENT PLAN
Notes to Financial Statements
December 31, 2009

(1) DESCRIPTION OF PLAN (Continued)

Hardship Withdrawal - Participants may withdraw their pretax contributions to satisfy any of the following immediate and heavy financial needs: (1) medical expenses; (2) the purchase of principal residence; (3) to prevent eviction from, or foreclosure on, principal residence; or (4) to pay for post-secondary education expenses. Participants must first exhaust all other assets reasonably available prior to obtaining hardship withdrawal. In addition, participants cannot make any elective deferrals for 6 months after a hardship distribution.

Forfeitures - Participants leaving the employment of the Company will forfeit any nonvested Company contributions. Forfeited non-vested accounts at December 31, 2009 and 2008 totaled $7,076 and $5,465, respectively, and will be used to reduce plan expenses or employer contributions.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The financial statements have been prepared using the accrual method of accounting.

Investment Valuation and Income Recognition - The Plan's investments are stated 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 4 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. Net depreciation includes the Plan’s gains and losses on investments bought and sold as well as held during the year.

Payment of Benefits - Benefit payments to participants are recorded upon distribution.

Defaulted Loans Treated as Distributions - A participant’s loan immediately becomes due and payable if the participant fails to make principal and/or interest payments for two successive calendar quarters. In such event, the participant’s vested aggregate account will be reduced by the remaining principal and interest of the loan, and such reduction will constitute a distributable event (to the extent of the reduction) under the Plan.

Contract Asset Charges - All investment related expenses incurred by the Plan are paid by the Plan. Non-investment related administrative expenses are paid by the sponsor, Panda Restaurant Group, Inc. and Subsidiaries, with the exception of administrative fees related to Personal Choice Retirement Accounts and daily valuation and account access fees charged by the Plan’s administrator at the rate of 0.025% per quarter assessed on the basis of account balances. The Plan invests in various mutual funds with revenue-sharing agreements that partially offset fees paid by the sponsor.

PANDA RESTAURANT GROUP, INC. AND SUBSIDIARIES
PANDA RETIREMENT PLAN
Notes to Financial Statements
December 31, 2009

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Risks and Uncertainties - The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates. The Plan invests in various investment securities. 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 at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Subsequent Events - Subsequent events have been evaluated through October 12, 2010, the date that these financial statements were available to be issued.

New Accounting Pronouncement - In September 2009, the Financial Accounting Standards Board (FASB) issued FASB Accounting Standards Update No. 2009-12, *Investment in Certain Entities That Calculate Net Asset Value per Share* (ASU 2009-12). ASU 2009-12 (formerly FAS 157-g) amends FASB Statement No. 157, *Fair Value Measurements*, adds disclosures, and provides guidance for estimating the fair value of investments in investment companies that calculate net asset value per share, allowing the Net Asset Value per Share (NAV) to be used as a practical expedient for fair value where investment companies follow the American Institute of Certified Public Accountants (AICPA) Guide in arriving at their reported NAV. The Plan adopted ASU 2009-12 effective January 1, 2009.

PANDA RESTAURANT GROUP, INC. AND SUBSIDIARIES
PANDA RETIREMENT PLAN
Notes to Financial Statements
December 31, 2009

(3) INVESTMENTS

The following presents investments at December 31, 2009 and 2008 that represent 5% or more of the Plan's net assets.

	2009	2008
Schwab Investor Money Fund	$ 7,281,107	$ 6,971,969
Icon Energy Fund	6,432,359	4,721,804
T Rowe Price Capital	6,413,509	3,657,354
Vanguard S&P 500 Index	6,197,054	4,386,014
Pimco Total Return	3,830,962	3,205,342
American Beacon Large Cap Value	3,738,387	2,695,465
Allianz NFJ Small Cap	3,679,782	2,764,954
Artisan International	3,657,511	2,125,975
Jennison Health Services Fund	2,812,506	2,314,568
All other investmens less than 5%	18,905,342	11,500,884
	$ 62,948,519	$ 44,344,329

For the year ended December 31, 2009, the Plan's mutual fund and personal choice investments, (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by $10,649,555.

(4) FAIR VALUE MEASUREMENTS

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

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.

PANDA RESTAURANT GROUP, INC. AND SUBSIDIARIES
PANDA RETIREMENT PLAN
Notes to Financial Statements
December 31, 2009

(4) FAIR VALUE MEASUREMENTS (Continued)

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 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.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2009 and 2008.

Mutual Funds – Valued at the net asset value of shares held by the plan at year end.

Participant Loans – Valued at amortized cost, which approximates fair value.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although 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.

PANDA RESTAURANT GROUP, INC. AND SUBSIDIARIES
PANDA RETIREMENT PLAN
Notes to Financial Statements
December 31, 2009

(4) FAIR VALUE MEASUREMENTS (Continued)

The following table summarizes the valuation of the Plan's investments by ASC 820 fair value hierarchy levels as of December 31, 2009 and 2008:

2009	Total	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Mutual Funds:				
U.S. Equity	$ 16,198,376	$ 16,198,376	$ -	$ -
Specialty	12,793,007	12,793,007	-	-
Money Market	7,281,107	7,281,107	-	-
U.S. Bonds	6,588,638	6,588,638	-	-
Balanced	6,413,509	6,413,509	-	-
International	4,833,569	4,833,569	-	-
Managed Portfolios	2,895,752	2,895,752	-	-
Foreign Bonds	1,659,825	1,659,825	-	-
	58,663,783	58,663,783	-	-
Personal Choice Account	2,807,970	2,807,970	-	-
Participant Loans	1,476,766	-	-	1,476,766
Total	$ 62,948,519	$ 61,471,753	$ -	$ 1,476,766

2008	Total	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Mutual funds	$ 44,344,329	$ 44,344,329	$ -	$ -
Personal Choice Account	1,643,911	1,643,911	-	-
Participant Loans	1,151,455	-	-	1,151,455
Total	$ 47,139,695	$ 1,643,911	$ -	$ 1,151,455

The following is the activity for assets measured at fair value on a recurring basis using significant unobservable inputs for the years ended December 31, 2009 and 2008:

	2009	2008
Participant loans - January 1	$ 1,151,455	$ 827,283
New loans	1,041,741	665,266
Repayments	(716,430)	(341,094)
Participant loans - December 31	$ 1,476,766	$ 1,151,455

PANDA RESTAURANT GROUP, INC. AND SUBSIDIARIES
PANDA RETIREMENT PLAN
Notes to Financial Statements
December 31, 2009

(5) INFORMATION PREPARED AND CERTIFIED BY THE TRUSTEE

The following are the summaries of the unaudited information regarding the Plan as of December 31, 2009 and 2008, and for the years then ended, included in the Plan's financial statements and supplemental schedules, which were prepared by or derived from information prepared by Charles Schwab Trust Company ("Charles Schwab"). The Plan administrator has obtained certifications from Charles Schwab that such information is complete and accurate.

	2009	2008
Investments:		
Mutual Funds and Personal Choice	$ 61,471,753	$ 43,213,351
Investment Income:		
Interest and dividends	$ 1,157,243	
Net depreciation in fair value of investments	10,649,555	
Total investment gain	$ 11,806,798	

a. Investments, as indicated on the statements of net assets available for benefits as of December 31, 2009 and 2008, and Note 3;

b. Interest income and net appreciation in fair value of investments as indicated on the statement of changes in net assets available for benefits for the year ended December 31, 2009 and Note 3; and

c. Supplemental schedule of assets (held at end of year) as of December 31, 2009.

(6) RELATED-PARTY TRANSACTIONS

Certain Plan investments are shares of mutual funds managed by Charles Schwab Trust Company. Charles Schwab Trust Company is the custodian and trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions.

(7) CONTRACT ASSET CHARGES

For the year ended December 31, 2009, the Plan paid contract asset charges of $94,945.

PANDA RESTAURANT GROUP, INC. AND SUBSIDIARIES
PANDA RETIREMENT PLAN
Notes to Financial Statements
December 31, 2009

(8) PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of the Plan's termination, participants will become 100% vested in their accounts.

(9) TAX STATUS OF THE PLAN

The Internal Revenue Service has determined and informed the company by a letter dated August 19, 2003, that the plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). Although the plan has been amended since receiving the determination letter, the plan administrator and the plan's tax counsel believe that the plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

(10) RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for plan benefits per financial statements at December 31, 2009 and 2008 to Form 5500.

	2009	2008
Net assets available for plan benefits per financial statements	$ 62,948,519	$ 44,364,806
Net assets available for plan benefits per Form 5500 - Schedule H	$ 62,948,519	$ 44,364,806

The following is a reconciliation of change in net assets available for plan benefits per financial statements for the year ended December 31, 2009 to Form 5500:

	2009
Change in net assets per financial statements	$ 18,583,713
Change in net assets per Form 5500 - Schedule H	$ 18,583,713

PANDA RESTAURANT GROUP, INC. AND SUBSIDIARIES
PANDA RETIREMENT PLAN

Form 5500, Schedule H, Line 4i, Schedule of Assets Held (At End of Year)
Year ended December 31, 2009
EIN: 95-4065005
Plan Number: 001

(a)	(b) Identity of issue, borrower, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
	Allianz CCM Emerging	Funds Held in Reg. Inv. Co. (Charles Schwab)		$ 916,603
	Allianz NFJ Small Cap	Funds Held in Reg. Inv. Co. (Charles Schwab)		3,679,782
	Allianz RCM Global Tech	Funds Held in Reg. Inv. Co. (Charles Schwab)		2,215,628
	American Beacon Large Cap Value	Funds Held in Reg. Inv. Co. (Charles Schwab)		3,738,387
	Artisan International Fund	Funds Held in Reg. Inv. Co. (Charles Schwab)		3,657,511
	Dreyfus Small Cap Stock Index	Funds Held in Reg. Inv. Co. (Charles Schwab)		1,666,550
	Icon Energy Fund	Funds Held in Reg. Inv. Co. (Charles Schwab)		6,432,359
	Jennison Health Services Fund	Funds Held in Reg. Inv. Co. (Charles Schwab)		2,812,506
	Oppenheimer Developing Markets	Funds Held in Reg. Inv. Co. (Charles Schwab)		1,176,057
	Loomis Sayles Bond	Funds Held in Reg. Inv. Co. (Charles Schwab)		2,757,677
	Pimco Emerging Markets Bond	Funds Held in Reg. Inv. Co. (Charles Schwab)		1,659,825
	Pimco Total Return	Funds Held in Reg. Inv. Co. (Charles Schwab)		3,830,962
*	Schwab Investor Money Fund	Funds Held in Reg. Inv. Co. (Charles Schwab)		7,281,107
	T Rowe Price Capital	Funds Held in Reg. Inv. Co. (Charles Schwab)		6,413,509
	Third Ave Real Estate Value	Funds Held in Reg. Inv. Co. (Charles Schwab)		1,332,464
	Vanguard S&P 500 Index	Funds Held in Reg. Inv. Co. (Charles Schwab)		6,197,054
	Russell Lifepoint Growth	Funds Held in Reg. Inv. Co. (Charles Schwab)		1,010,131
	Russell Lifepoint Balance	Funds Held in Reg. Inv. Co. (Charles Schwab)		1,010,883
	Russell Lifepoint Equity Growth	Funds Held in Reg. Inv. Co. (Charles Schwab)		874,788
	Schwab Personal Choice Account	Publicly Traded Securities (Charles Schwab)		2,807,970
*	Participant Loans	Participant loans with maturity dates from February 12, 2010 to May 24, 2030, interest rates range from 4.25% to 9.25%		1,476,766
				$ 62,948,519

* Indicates party-in-interest to the Plan

THE PANDA RETIREMENT PLAN

Schedule of Assets Held for Investment Purposes at End of Year

EIN: 95-4065005

PN: 001

Plan Year : 1/1/09 to 12/31/09

(a)	(b) Identity of issue, borrower, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current Value
	ALLIANZ CCM EMERGING CO INST C @14.67	Funds Held in Reg. Inv. Co.	*	916,602
	ALLIANZ NFJ SMALL CAP VAL ADM @23.15	Funds Held in Reg. Inv. Co.	*	3,679,782
	ALLIANZ RCM GLOBAL TECH CL D @36.43	Funds Held in Reg. Inv. Co.	*	2,215,628
	AMERICAN BEACON LARGE CAP VAL @17.25	Funds Held in Reg. Inv. Co.	*	3,738,387
	ARTISAN INTERNATIONAL @20.66	Funds Held in Reg. Inv. Co.	*	3,657,511
	DREYFUS SMALL CAP INDEX @16.63	Funds Held in Reg. Inv. Co.	*	1,666,550
	ICON ENERGY @17.21	Funds Held in Reg. Inv. Co.	*	6,432,359
	PRUDENTIAL JENN HEALTH SCIENCE @19.66	Funds Held in Reg. Inv. Co.	*	2,812,506
	OPPENHEIMER DEVELOPING MKTS A @28.76	Funds Held in Reg. Inv. Co.	*	1,176,057
	LOOMIS SAYLES BOND I @13.34	Funds Held in Reg. Inv. Co.	*	2,757,677
	PIMCO EMERGING MARKETS BOND D @10.32	Funds Held in Reg. Inv. Co.	*	1,659,825
	PIMCO TOTAL RETURN @10.80	Funds Held in Reg. Inv. Co.	*	3,830,962
	SCHWAB INVESTOR MONEY FUND @1.00	Funds Held in Reg. Inv. Co.	*	7,281,107
	T ROWE PRICE CAPITAL APPR FUND @18.16	Funds Held in Reg. Inv. Co.	*	6,413,509
	THIRD AVE REAL ESTATE VALUE @20.46	Funds Held in Reg. Inv. Co.	*	1,332,464
	VANGUARD 500 INDEX @102.67	Funds Held in Reg. Inv. Co.	*	6,197,054
	RUSSELL BALANCE STRATEGY S @9.55	Funds Held in Reg. Inv. Co.	*	1,010,883
	RUSSELL EQUITY GROWTH STRATEGY @8.31	Funds Held in Reg. Inv. Co.	*	874,738
	PARTICIPANT LOAN @1.00	Part. loans @ various rates	1	1,476,766
	PERSONAL CHOICE ACCOUNT @1.00	Funds Held in Reg. Inv. Co.	*	2,807,970
	CLIPPER (CLOSED) @54.56	Funds Held in Reg. Inv. Co.	*	50
	LAZARD INTL SMALL CAP PORT @6.70	Funds Held in Reg. Inv. Co.	*	0
	RUSSELL GROWTH STRATEGY S @8.96	Funds Held in Reg. Inv. Co.	*	1,010,131

TOTALS **62,948,519**

* Participant-directed transactions

THE PANDA RETIREMENT PLAN

Schedule of Assets Held for Investment Purposes at End of Year

EIN: 95-4065005

PN: 001

Plan Year : 1/1/09 to 12/31/09

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	CLIPPER (CLOSED) @54.56	Funds Held in Reg. Inv. Co.	*	50
	LAZARD INTL SMALL CAP PORT @6.70	Funds Held in Reg. Inv. Co.	*	0
	RUSSELL GROWTH STRATEGY S @8.96	Funds Held in Reg. Inv. Co.	*	1,010,131

TOTALS **62,948,519**

* Participant-directed transactions