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

2010

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

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:
- [ ] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
ISLANDS RESTAURANTS, L.P. 401(K) PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 07/01/1996

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

5750 FLEET STREET, SUITE 120
CARLSBAD, CA 92008

2b Employer Identification Number (EIN)
33-0475521

2c Sponsor's telephone number
760-268-1800

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.	07/15/2011	ROB RICHARDS
	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")
ISLANDS RESTAURANTS, L.P.

5750 FLEET STREET, SUITE 120
CARLSBAD, CA 92008

3b Administrator's EIN
33-0475521

3c Administrator's telephone number
760-268-1800

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**	2969
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**	2636
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	71
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	2707
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	2707
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	360
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	25
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 3D 2T

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)		___ **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)	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.**	**2010** **This Form is Open to Public Inspection.**

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
ISLANDS RESTAURANTS, L.P. 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
ISLANDS RESTAURANTS, L.P.

D Employer Identification Number (EIN)
33-0475521

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

PHILIP STEELE
19848 PACIFIC COAST HIGHWAY
MALIBU, CA 90265

(b) Enter name and EIN or address of person who provided you disclosure 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)

WILMINGTON TRUST

51-0099033

(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?
18 25 50 62	NONE	11410	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [X] No [ ]

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

DIGITAL RETIREMENT SOLUTIONS, INC.

84-1477138

(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?
12 15 38 50 60 64	NONE	13231	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [X] No [ ]

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

PENSION ARCHITECTS ADVISORY GROUP

257 S. FAIR OAKS AVENUE
SUITE 200
PASADENA, CA 91105

(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?
17 26 27 31 38 50 70 72 99	NONE	8429	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [X] No [ ]

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

CHARLES SCHWAB TRUST COMPANY

42-1558009

(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?
18 25 50 62	NONE	2145	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [X] 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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(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

2010

This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
ISLANDS RESTAURANTS, L.P. 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
ISLANDS RESTAURANTS, L.P.

D Employer Identification Number (EIN)
33-0475521

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: WT STABLE VALUE FUND

b Name of sponsor of entity listed in (a): WILMINGTON TRUST COMPANY

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)
51-6521510-001	C	0

a Name of MTIA, CCT, PSA, or 103-12 IE: CHARLES SCHWAB STABLE VALUE FUND

b Name of sponsor of entity listed in (a): CHARLES SCHWAB TRUST COMPANY

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)
81-0625180-001	C	346739

a Name of MTIA, CCT, PSA, or 103-12 IE: TL FOCUS AGGRESSIVE GROWTH

b Name of sponsor of entity listed in (a): HAND BENEFITS & TRUST COMPANY

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)
74-2008758-033	C	1423647

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

b Name of sponsor of entity listed in (a): HAND BENEFITS & TRUST COMPANY

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)
74-2008758-032	C	1447348

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

b Name of sponsor of entity listed in (a): HAND BENEFITS & TRUST COMPANY

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)
74-2008758-031	C	581463

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

b Name of sponsor of entity listed in (a): HAND BENEFITS & TRUST COMPANY

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)
74-2008758-030	C	152552

a Name of MTIA, CCT, PSA, or 103-12 IE: TL FOCUS CAPITAL PRESERVATION

b Name of sponsor of entity listed in (a): HAND BENEFITS & TRUST COMPANY

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)
74-2008758-029	C	4800

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

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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

2010

This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
ISLANDS RESTAURANTS, L.P. 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
ISLANDS RESTAURANTS, L.P.

D Employer Identification Number (EIN)
33-0475521

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	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	10816	0
(2) Participant contributions	1b(2)	20247	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	0	0
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	259422	333390
(9) Value of interest in common/collective trusts	1c(9)	461568	3956550
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	5642840	3560056
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	0	0

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)	0	0
	(2) Employer real property	1d(2)	0	0
e	Buildings and other property used in plan operation	1e	0	0
f	Total assets (add all amounts in lines 1a through 1e)	1f	6394893	7849996
	Liabilities			
g	Benefit claims payable	1g	0	0
h	Operating payables	1h	0	0
i	Acquisition indebtedness	1i	0	0
j	Other liabilities	1j	0	0
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	6394893	7849996

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)	332863	
	(B) Participants	2a(1)(B)	639042	
	(C) Others (including rollovers)	2a(1)(C)	34992	
	(2) Noncash contributions	2a(2)	0	
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		1006897
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
	(B) U.S. Government securities	2b(1)(B)	0	
	(C) Corporate debt instruments	2b(1)(C)	0	
	(D) Loans (other than to participants)	2b(1)(D)	0	
	(E) Participant loans	2b(1)(E)	13159	
	(F) Other	2b(1)(F)	0	
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		13159
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)	0	
	(B) Common stock	2b(2)(B)	0	
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	105853	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		105853
	(3) Rents	2b(3)		0
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	0	
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
	(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)	0	
(B) Other	2b(5)(B)	0	
(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)		606266
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		317756
c Other income	2c		10304
d Total income. Add all **income** amounts in column (b) and enter total	2d		2060235
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	412434	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		412434
f Corrective distributions (see instructions)	2f		97118
g Certain deemed distributions of participant loans (see instructions)	2g		62645
h Interest expense	2h		0
i Administrative expenses: (1) Professional fees	2i(1)	14600	
(2) Contract administrator fees	2i(2)	9906	
(3) Investment advisory and management fees	2i(3)	8429	
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		32935
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		605132
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		1455103
l Transfers of assets:			
(1) To this plan	2l(1)		0
(2) From this plan	2l(2)		0

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)** ☒ Disclaimer **(4)** ☐ Adverse

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

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

(1) Name: HAFLINGER & ASSOC **(2)** EIN: 52-2207502

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	X		

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

2010

This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
ISLANDS RESTAURANTS, L.P. 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
ISLANDS RESTAURANTS, L.P.

D Employer Identification Number (EIN)
33-0475521

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): 42-1558009 65-1214236

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):

HAFLINGER & Associates, Inc.
Certified Public Accountant

Report of Independent Certified Public Accountants
To the Islands Restaurants, L.P. 401(k) Plan
and Participants:

We were engaged to audit the accompanying financial statements and supplemental schedule of the Islands Restaurants, L.P. 401(k) Plan as of December 31, 2010 and 2009 and for the year ended December 31, 2010, as listed in the table of contents. These financial statements and 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 C, which was certified by Charles Schwab Trust Company and Wilmington Trust Company, the trustees 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 Trust Company held the Plan's investment assets on December 31, 2010 and executed investment transactions from July 1, 2010 to December 31, 2010 and that Wilmington Trust Company held the Plan's investment assets on December 31, 2009 and executed investment transactions from January 1, 2010 to June 30, 2010. The plan administrator has obtained certifications from the trustees as of December 31, 2010 and 2009, and for the periods ending in 2010, that the information provided to the plan administrator by the trustees is complete and accurate.

Because of the significance of the information 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 a 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 the trustees, have been audited by us in accordance with U.S. generally accepted auditing standards 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.

Haflinger & Associates

San Diego, California
July 13, 2011

PMB #296, 3089-C Clairemont Drive, San Diego, CA 92117-6892
(619) 276-2808 ◆ Fax: (619) 276-2805 ◆ gr8cpa@shcpas.com

ISLANDS RESTAURANTS, L.P.
401(K) PLAN

Financial Statements and Supplemental Schedule

Year ended December 31, 2010

ISLANDS RESTAURANTS, L.P.
401(k) PLAN

Financial Statements and Supplemental Schedule

Year Ended December 31, 2010

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December 31, 2010 I

HAFLINGER & Associates, Inc.
Certified Public Accountant

Report of Independent Certified Public Accountants
To the Islands Restaurants, L.P. 401(k) Plan
and Participants:

We were engaged to audit the accompanying financial statements and supplemental schedule of the Islands Restaurants, L.P. 401(k) Plan as of December 31, 2010 and 2009 and for the year ended December 31, 2010, as listed in the table of contents. These financial statements and supplemental schedule are the responsibility of the Plan's management.

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Haflinger & Associates

San Diego, California
July 13, 2011

PMB #296, 3089-C Clairemont Drive, San Diego, CA 92117-6892
(619) 276-2808 ◆ Fax: (619) 276-2805 ◆ gr8cpa@shcpas.com

ISLANDS RESTAURANTS, L.P.
401(k) PLAN

Statements of Net Assets Available for Benefits

	As of December 31, 2010	2009
ASSETS		
Investments at fair value:		
Common collective trust	**$ 355,685**	$ 468,856
Mutual funds	**3,560,056**	5,642,840
Mutual fund portfolios	**3,609,811**	-
Total Investments	**7,525,552**	6,111,696
Receivables:		
Employee contributions	**-**	20,247
Employer contributions	**-**	10,816
Notes receivable from participants	**333,390**	259,422
Total Receivables	**333,390**	290,485
Total Assets	**7,858,942**	6,402,181
Liabilities		
Corrective distributions payable	**(72,730)**	(97,118)
Total Liabilities	**(72,730)**	(97,118)
Net assets at fair value	**7,786,212**	6,305,063
Adjustment from fair value to contract value for fully benefit-responsive investment contract	**(8,946)**	(7,288)
NET ASSETS AVAILABLE FOR BENEFITS	**$ 7,777,266**	$ 6,297,775

See accompanying notes to financial statements.

ISLANDS RESTAURANTS, L.P.
401(k) PLAN

Statement of Changes in Net Assets Available for Benefits

Year Ended December 31, 2010

ADDITIONS:		
Participant contributions	$	639,042
Participant rollover contributions		34,992
Employer matching contributions		332,863
Net realized and unrealized appreciation of mutual funds		923,778
Dividend income		105,853
Interest on common collective trust		10,548
Interest on participant loans		13,159
Total Additions		2,060,235
DEDUCTIONS:		
Benefit and termination payments to participants		547,809
Administrative expenses		32,935
Total Deductions		580,744
Net Increase		1,479,491
Net assets available for benefits:		
Beginning of year		6,297,775
End of year	$	7,777,266

See accompanying notes to financial statements.

ISLANDS RESTAURANTS, L.P.
401(k) PLAN

Notes to Financial Statements

December 31, 2010

Note A Description of the Plan

The following description of the Islands Restaurants, L.P. (the "Company") 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan was established on July 1, 1996 under the provision of Section 401(a) of the Internal Revenue Code ("IRC"), which includes a qualified cash or deferred arrangement as described in Section 401(k) of the IRC. The Plan was amended and restated in its entirety effective January 1, 2009. Effective July 1, 2010, the Company entered into an agreement with Charles Schwab Trust Company to serve as trustee and custodian of the Plan's assets. Prior to July 1, 2010, Wilmington Trust Company served in that capacity. Plan participant recordkeeping and administrative services are performed by a third party administration firm. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Eligibility

Employees age 21 or older are eligible to participate in the Plan for purposes of voluntary salary deferral contributions after completing 90 days of employment. Employees become eligible to participate in the plan for purposes of sharing in matching contributions after completing one year of service. A year of service for eligibility purposes is a twelve month period in which the employee has worked 1,000 hours or more. Employees can enter the Plan on January 1, April 1, July 1 or October 1.

Participant Contributions

Participants may contribute, and therefore defer for income tax purposes, up to 75% of their annual compensation, as defined in the Plan, and subject to the limits of the IRC. Participants may also contribute amounts representing rollover distributions from other qualified plans.

Company Contributions

The Company provided a discretionary matching contribution of 100% of the first 3% of employee contributions. Additionally, the company may provide a discretionary profit sharing contribution. No discretionary profit sharing contributions were made or declared during 2010.

Note A Description of the Plan (continued)

Participant Accounts

Each participant's account is credited with the participant's contributions and Company matching contributions and allocations of (a) the Company's profit sharing contributions, if any, and (b) Plan earnings. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

Participant Loans

The Plan allows participants to borrow against their vested account balances. Loans may not be made for less than $1,000 and may not exceed the lesser of $50,000 or 50% of a participant's vested account balance. Loan repayment periods may not exceed five years, unless the loan proceeds are used to acquire a principal residence. The interest rate for loans is the prime rate plus 1% as of the date the loan is processed.

Vesting and Forfeitures

Participants are 100% vested in their salary reduction and rollover accounts plus actual earnings thereon. Vesting in the Company matching and discretionary profit sharing contributions are achieved as follows:

Completed Years of Qualified Service	Vesting Percentage
Less than 1	0%
1 or more	20%
2 or more	40%
3 or more	60%
4 or more	80%
5 or more	100%

A year of qualified service, for vesting purposes, is achieved upon completion of 1,000 hours of service. Non-vested balances of employees who terminate prior to becoming fully-vested are forfeited and utilized by the Company to pay Plan expenses or reduce future matching contributions. Forfeited non-vested account balances outstanding at December 31, 2010 and 2009 were $61,917 and $61,252, respectively. Forfeitures of $22,630 were used by the Company during 2010 to pay Plan expenses.

Note A Description of the Plan (continued)

Payment of Benefits

Distributions from a participant's account are generally made upon termination of employment, disability, retirement or death. Participants, or their beneficiary, may receive payment in the form of a lump-sum distribution, rollover to IRA accounts or rollover to another qualified plan. Distributions made during a participant's employment are limited to hardship distributions, if certain requirements are met, or upon attainment of age 59½. If a terminated participant's account balance is $5,000 or less, the Company may make an automatic IRA rollover distribution of the vested account balance without prior approval of the participant.

Administrative Expenses

Administrative expenses related to the administration of participant loans are deducted from the borrowing participant's account in accordance with Plan provisions. All other administrative expenses are paid directly by the Company or deducted from non-vested forfeited accounts.

Certain investment management fees and other charges paid to the trustee are offset against fund performance in the net appreciation (depreciation) section of the statement of changes in net assets available for benefits and are not, therefore, separately reflected as investment expenses.

Plan Termination Provision

Although the Company has not expressed any intent to do so, it has the right under the Plan to discontinue its contributions at any time or to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, all participant accounts become fully vested and nonforfeitable.

Note B Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are reported on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles.

Note B Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that could affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Investment Valuation and Income Recognition

Investments are stated at fair value which is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. See Note E for discussion of fair value measurements. An additional line item has been presented on the Statements of Net Assets Available for Benefits to reflect the adjustment from fair value to contract value for the fully benefit-responsive investment contracts at December 31, 2010 and 2009.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. The realized gain or loss on investments is included with unrealized appreciation or depreciation in the current value of investments.

Reclassifications

Certain accounts from the prior year, such as notes receivable from participants, have been reclassified to conform to the current year presentation.

Payment of Benefits

Benefits are recorded when paid.

Notes Receivable from Participants

Loans to participants are reported at their unpaid principal balances plus any accrued but unpaid interest.

Date of Management's Review

Subsequent events were evaluated through July 13, 2011, which is the date the financial statements were available to be issued.

Note C Plan Investments

All investment information disclosed in the accompanying financial statements and supplemental schedule including investments held at December 31, 2010 and 2009, and net appreciation (depreciation) in fair value of investments, interest and dividend income and investment expenses for the year ended December 31, 2010, were obtained or derived from information provided to the plan administrator and certified as complete and accurate by the trustees, Charles Schwab Trust Company and Wilmington Trust Company. Investments held at Charles Schwab Trust Company that individually represent 5 percent or more of the Plan's net assets are as follows:

	December 31, 2010
Franklin Income	$ 837,203
TL Focus Aggressive Growth	1,423,647
TL Focus Growth	1,447,348
TL Focus Balanced	581,463

Investments held at Wilmington Trust Company that individually represent 5 percent or more of the Plan's net assets are as follows:

	December 31, 2009
Thornburg Value	$ 470,884
Eagles Series - TR Mid Cap Stock	339,755
ING Intermediate Bond	562,968
American Funds Growth Fund A	461,394
Franklin Income	797,195
Columbia Marisco 21st Century	412,311
WT Stable Value	461,568
BlackRock Global Growth	613,584

Note D Income Tax Status

The Plan has received an opinion letter from the Internal Revenue Service dated March 31, 2008, stating that the written form of the underlying prototype plan document is qualified under Section 401(a) of the IRC and that any employer adopting this form of the Plan will be considered to have a plan qualified, by design, under Section 401(a) of the IRC. Therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualified status. The Company believes that the Plan is currently being operated in compliance with the applicable requirements of the IRC, therefore the trust is exempt from taxation.

Note E Fair Value Measurements

Accounting Standards Codification ("ASC") 820 (formerly known as FASB Statement No. 157), Fair Value Measurements, establishes a 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 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 in active markets that the plan has the ability to access.

Level 2 – Inputs to the valuation methodology include a) quoted prices in active markets for similar assets b) quoted price in inactive markets for similar assets c) inputs other than quoted prices that are observable for the asset or d) inputs that are derived primarily from observable market data by correlation or other means.

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

The following is a description of the valuation methodologies used for assets measured at fair value.

Mutual funds: Valued at the publicly available net asset value (NAV) of shares held by the plan at year end.

Common collective trust: Market approach valuation based on the contractual terms of the underlying investments consisting primarily of guaranteed interest contracts.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value, as categorized by nature and risk, at December 31, 2010:

Assets at Fair Value as of December 31, 2010

	Level 1	Level 2	Level 3	Total
Stable value	$ -	$ 355,685	$ -	$ 355,685
Fixed income	383,177	-	-	383,177
Large U.S. equity	1,318,063	-	-	1,318,063
Small / mid U.S. equity	416,572	-	-	416,572
International equity	530,902	-	-	530,902
Specialty balanced	911,272	-	-	911,272
Actively managed portfolios	3,609,881	-	-	3,609,881
	$ 7,169,867	$ 355,685	$ -	$ 7,525,552

Note E Fair Value Measurements (continued)

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value, as categorized by nature and risk, at December 31, 2009:

Assets at Fair Value as of December 31, 2009

	Level 1	Level 2	Level 3	Total
Stable value	$ -	$ 468,856	$ -	$ 468,856
Fixed income	962,358	-	-	962,358
Large U.S. equity	1,991,741	-	-	1,991,741
Small / mid U.S. equity	805,307	-	-	805,307
International equity	1,022,825	-	-	1,022,825
Specialty balanced	860,609	-	-	860,609
	$ 5,642,840	$ 468,856	$ -	$ 6,111,696

Note F Differences Between Financial Statements and Form 5500

The following is a reconciliation of net assets available for benefits per the Form 5500 to the net assets reflected on the financial statements:

	December 31,	
	2010	2009
Net assets as presented on the Form 5500	$ 7,849,996	$ 6,394,893
Corrective distributions payable	(72,730)	(97,118)
Net assets as presented on the financial statements	$ 7,777,266	$ 6,297,775

The following is a reconciliation of the changes in net assets available for benefits per the Form 5500 to the changes in net assets as reflected in the financial statements for the year ended December 31, 2010:

Net increase in net assets available for benefits per Form 5500	$ 1,455,103
Less change in corrective distributions	24,388
Net increase in net assets available for benefits per financial statements	$ 1,479,491

Note G Risks and Uncertainties

The Plan invests in various investment securities that 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 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 participants' account balances and the amounts reported in the Statement of Net Assets available for Benefits.

SUPPLEMENTAL SCHEDULE

ISLANDS RESTAURANTS, L.P.
401(k) PLAN

Supplemental Schedule I
Employer ID # 33-0475521, Plan #001
Schedule of Assets Held for Investment Purposes
Form 5500, Schedule H, Part IV, Line 4i

December 31, 2010

(a)	(b) Identity of Issue, Borrower or Similar Party	(c) Description of Investment	(d) Cost	(e) Current Value
*	Charles Schwab Stable Trust Company:			
	WT Stable Value Fund	Common collective trust	**	$ 355,685
	American Funds Growth Fund A	Mutual fund	**	326,013
	Eagle Series TR - Mid Cap Stock	Mutual fund	**	206,539
	ING GNMA Income	Mutual fund	**	139,446
	Oppenheimer International Bond	Mutual fund	**	17,844
	Thornburg Value	Mutual fund	**	295,950
	Thornburg International Value	Mutual fund	**	129,407
	Franklin Income	Mutual fund	**	837,203
	ING Global Real Estate	Mutual fund	**	33,541
	Vanguard Total Bond Market Index	Mutual fund	**	56,595
	Columbia Marsico 21st Century Fund A	Mutual fund	**	295,878
	BlackRock Global Growth	Mutual fund	**	309,136
	Columbia Small Cap Value II	Mutual fund	**	69,453
	Columbia Value & Restructuring	Mutual fund	**	194,747
	Eagle Growth & Income	Mutual fund	**	78,536
	Columbia Acorn International Select	Mutual fund	**	92,359
	Prudential Jennison Small Company	Mutual fund	**	140,580
	PIMCO Total Return	Mutual fund	**	169,292
	Janus Balanced	Mutual fund	**	40,528
	Schwab S&P 500 Index	Mutual fund	**	127,009
	TL Focus Aggressive Growth	Mutual fund	**	1,423,647
	TL Focus Growth	Mutual fund	**	1,447,348
	TL Focus Balanced	Mutual fund	**	581,463
	TL Focus Conservative	Mutual fund	**	152,553
	TL Focus Capital Preservation	Mutual fund	**	4,800
*	Participant loans	Interest at 4.25% to 9.25%; various maturities		333,390
				$ 7,858,942

* Denotes a Party-In-Interest

** Cost omitted for participant directed investments since not applicable.

ISLANDS RESTAURANTS, L.P.
401(k) PLAN

Supplemental Schedule I
Employer ID # 33-0475521, Plan #001
Schedule of Assets Held for Investment Purposes
Form 5500, Schedule H, Part IV, Line 4i

December 31, 2010

(a)	(b) Identity of Issue, Borrower or Similar Party	(c) Description of Investment	(d) Cost	(e) Current Value
*	Charles Schwab Stable Trust Company:			
	WT Stable Value Fund	Common collective trust	**	$ 355,685
	American Funds Growth Fund A	Mutual fund	**	326,013
	Eagle Series TR - Mid Cap Stock	Mutual fund	**	206,539
	ING GNMA Income	Mutual fund	**	139,446
	Oppenheimer International Bond	Mutual fund	**	17,844
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