

PERKINS & MARIE CALLENDER'S INC.
CODE OF BUSINESS CONDUCT
Revised January 2008

Dear Fellow Employees:

Perkins & Marie Callender's Inc. ("PMCI"), our Perkins and Marie Callender restaurants and our subsidiary companies benefit significantly from a long-lived and hard-earned reputation for integrity and quality. That reputation provides the foundation for our relations among ourselves as employees of the Company as well as with our guests, our franchisees, our suppliers and others outside our Company with whom we interact.

Personal and professional integrity are the essence of all our business relationships and transactions. To ensure that each person in a management capacity understands the importance of integrity in all of our business dealings, this Code of Business Conduct was created. The ever-increasing complexity of laws and regulations affecting our business and the serious harm that even a single employee's misconduct can cause to our reputation further underscore the necessity for a Code of Business Conduct.

It is our intent, in all of our dealings, to meet or exceed the requirements of law and industry practice. It is the personal responsibility of all employees to acquaint themselves with all legal and policy standards and restrictions applicable to their positions and responsibilities, and to conduct themselves accordingly. You must understand that although this Code is intentionally broadly written, it does not specifically discuss all situations. Frankly, it cannot cover every situation where choices and decisions must be made. This Code identifies the type of conduct considered acceptable or unacceptable within the scope of your employment. Other Company policies, manuals, and handbooks are important components of our overall compliance program and should be read in conjunction with this Code.

If you have reason to believe that an ethical or legal violation has occurred or is about to occur, you have the duty to report it to your manager, our Executive Vice President of Human Resources & Administration/Chief Compliance Officer, the Legal Department, or by making a report on PMCI's Alertline. Our policies forbid any form of retaliation against you for fulfilling this obligation and we will immediately investigate any concern you report.

Awareness of and compliance with these standards not only make wise business sense, they allow us to enjoy professional and productive working relationships. If you have questions after reading the Code, please contact our Human Resources or Legal Department.

Sincerely,



J. Trungale
Chief Executive Officer



PERKINS & MARIE CALLENDER'S INC.

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After reading the Code of Business Conduct, please detach, sign and date the last page, then return it to the Human Resources Department at the home office in Memphis. Retain this copy of the Code for your reference.

The following areas are covered by this policy:

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CODE OF BUSINESS CONDUCT

1.0 Scope and Administration

No corporate code can cover every possible question of business practice. If in doubt, ask your supervisor or a senior manager before you act. Compliance with Perkins & Marie Callender's Inc.'s (the "Company"; including all subsidiaries) Code of Business Conduct (the "Code") is the responsibility of every director, officer and employee. Persons in management positions have a special responsibility to demonstrate the highest ethical standards and to create an environment that supports ethical behavior.

The Executive Vice President of Human Resources & Administration is the Company's Chief Compliance Officer (the "CCO"), who will administer overall compliance with this Policy. The Company's Internal Audit Department will from time to time audit compliance with the Code, as will the Chief Legal Officer. You should feel free to contact any of these persons with questions or concerns about this Code and compliance if you see or suspect any potential violation without fear of retribution.

2.0 Our Principles

Our business practices are governed by transparency and integrity. Transparency means that we will conduct business in as open a manner as possible and ensure that our business dealings are easily understood, open to audit and inspection. We will deal fairly and honestly with our fellow employees, our franchisees, our suppliers, our customers, and public authorities. We will comply with all applicable laws and regulations and the best generally accepted business and social standards within our industry and within the communities in which we do business. Further, our interpersonal relationships and dealings are governed by the Company's Commitment to Fair Treatment, with which all employees are obliged to comply.

2.1 Records, Statement and Reports

Accuracy and reliability in the preparation of financial statements and other reports to government agencies are critically important, not just for compliance with the Company's legal, financial and reporting obligations, but to the decision-making process. Hence, the Company and its employees shall

- a. comply with generally accepted accounting principles;
- b. maintain a system of internal accounting controls that will provide reasonable assurances to management that all transactions are properly recorded;
- c. maintain accurate books and records;
- d. prohibit the establishment of undisclosed or unrecorded funds or assets; and,
- e. maintain a system of internal controls that will provide to management reasonable assurances that material information is made known to management.

Each employee is responsible to ensure that business records, bills, payroll records and other statements and reports are prepared timely and accurately. False or misleading entries are strictly prohibited.

2.2 Auditors

No employee shall directly or indirectly take any action, or encourage anyone to take an action to improperly influence, manipulate, or mislead any independent public accountant engaged in the performance of an audit or review of the Company's financial statements. Some examples of improper action include any action causing the Company's independent auditors to (a) issue a report on the Company's financial statements that is not warranted under the circumstances (due to material violations of generally accepted accounting principles, generally accepted auditing standards, or other standards), (b) not perform audit, review or other procedures required by generally accepted auditing standards or other professional standards, (c) not withdraw an issued report that the auditors wish to withdraw, or (d) not communicate matters to the Company's Board of Directors. Improper action also includes: (u) offering or paying bribes or other financial incentives, including offering future employment or contracts for non-audit services, (v) providing an auditor with inaccurate or misleading legal analysis, (w) threatening to cancel or canceling existing non-audit or audit engagements if the auditor objects to the Company's accounting, (x) seeking to have a partner removed from the audit engagement because the partner objects to the Company's accounting, (y) blackmailing, or (z) making physical threats.

2.3 Public Filings

The Company requires the full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the Company with the SEC.

It is the responsibility of each employee to:

- a. promptly bring to the attention of the Board of Directors any material information of which he or she may become aware that affects the disclosures made by the Company in its public filings;
- b. promptly bring to the attention of the Board of Directors, Chief Financial Officer, CCO or Chief Legal Officer any information he or she may have concerning (i) significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data or (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's financial reporting, disclosures or internal controls; and
- c. promptly bring to the attention of the Board of Directors, Chief Financial Officer, CCO or Chief Legal Officer any information he or she may have concerning evidence of a material violation of the securities or other laws, rules or regulations applicable to the Company and the operation of its business, by the Company or any agent thereof.

3.0 Conflicts of Interest, Gifts, Gratuities, Bribery and Kickbacks

Every employee owes a duty of loyalty to the Company and in business matters must act solely for the benefit of the Company. Each employee therefore must remain free of interests or relationships which are, or appear to be, directly or indirectly harmful or detrimental to the Company's interests or which give the appearance of undue influence in decision-making.

Employees are prohibited from soliciting or accepting any kind of compensation, bribery/kickbacks, rebates or rewards for doing business with suppliers, distributors, brokers, consultants, franchisees or any other persons doing business with the Company. Employees may not grant requests or accept gifts, trips or entertainment or other non-monetary favors or gratuities from the Company's business associates that exceed customary practices extended in accordance with accepted ethical business practices in our industry. Gifts may be accepted if they are of nominal value (normally less than \$100), but cash and cash equivalents are never appropriate. If in doubt about the propriety - - ask.

No funds or assets of the Company shall be used for federal, state or local political campaign contributions without the prior approval of the Chief Executive Officer or the Chief Financial Officer. Furthermore, no employee may pay a bribe or give anything of value to any representative of a government entity for the purpose of securing a benefit for the employee or the Company.

Unless approved by the CCO, employees may not hold financial or other ownership interests, whether of equity or debt, directly or indirectly, in franchisees, suppliers, distributors, brokers, consultants or any other persons doing business with the Company where such an interest could result in a conflict. If there is any question about a potential conflict, you should discuss it with the CCO.

3.1 Gifts of Meals, Entertainment and Travel

You, and members of your immediate family, should not accept gifts or paid-for entertainment (other than of nominal value), loans (of any amount), or other favors from a vendor or any person with whom the Company does or may do business. Meals, entertainment and travel may be accepted if reasonable in value considering the nature of the event, the number and identity of other guests, or infrequency of the occasion, provided business is conducted. As an example, a sales event conducted by a vendor where guests from several organizations are invited would generally be considered acceptable. Cash gifts, and cash equivalents (such as gift cards) must never be accepted.

3.2 Outside Employment

The Company requires the full-time efforts and attention of its employees. In general, this level of effort and attention makes it impractical for employees to pursue extensive employment outside the Company. Moreover, outside employment also could lead to a conflict of interest for the employee. Consequently, any outside employment must be approved in advance by the CCO. Employees should also not take additional employment with outside organizations or operate their own business if such employment or activity will create an actual or perceived conflict of interest.

3.3 Corporate Boards

A member of the board of directors of a corporation or similar entity has access to sensitive information that charts the course of the organization. When a Company employee is invited to play that role for an outside organization, the Company must take safeguards to shield both the organization and the employee from even the appearance of impropriety. For that reason, prior approval by the CCO is required before any employee can accept a position as a member of the board of directors of another company.

3.4 Corporate Business Opportunity

Each employee owes the Company a duty of loyalty. That duty is violated if the employee personally profits from a business opportunity which rightfully belongs to the Company. This problem arises when an employee has an interest, direct or indirect, in an entity which offers a product or service which could be offered by the Company, or when an employee directly or indirectly offers such a product or service in competition with the Company. Ask yourself, did this idea come from my working as an employee of the Company and could the Company be interested in being in this business? If you have any questions - - ask the CCO.

3.5 Conduct with Fellow Employees, Guests and Vendors

Each employee must at all times conduct himself or herself in a professional manner. Each employee agrees that at no time while an employee of the Company will he or she :

- Engage in, approve or fail to take prompt action to avoid or stop any conduct by another employee of which he or she is aware that could create a hostile or intimidating environment for fellow employees, our guests or vendors, or any other persons with whom our employees have contact as a consequence of their employment by the Company.
- Engage in, approve or fail to take prompt action to avoid or stop any conduct of a verbal, visual or physical nature which could be interpreted as harassment on account of a person's race, religion, national origin, age, sex, sexual orientation, physical or mental handicap, or veteran status.
- Engage in, approve or fail to take prompt action to avoid or stop any conduct which could be interpreted as sexual harassment.

Management employees MUST, whenever they become aware of any conduct which may violate the provisions of this section of the Code, take immediate steps to either stop the conduct or to report it to a senior management employee, the Company's Human Resources Department, or by contacting the Alertline.

The Company reserves the right to take disciplinary action, up to and including termination of employment for any employee who violates this section.

4.0 Confidential Information

One of the Company's most important assets is its confidential information. The Company's legal obligations and its competitive position mandate that this information remain strictly confidential.

Confidential corporate information generally falls into three categories. The first category encompasses information intended for internal use only. This information typically relates to the Company's business strategies and operations, such as pricing policies, production techniques, "trade secrets" (confidential information used in the course of business to give the Company a competitive advantage), recipes, and marketing strategies. The Company endeavors to keep this information strictly confidential indefinitely.

The second category, by contrast, involves confidential corporate information which the Company routinely and periodically discloses to the public, its lenders and other parties with which the Company does or may do business. This information often gauges the Company's financial performance (e.g., quarterly financial results of the Company's operations) or identifies events which have a significant (or "material") effect on the value of the Company and any of its outstanding publicly owned equity or debt securities.

The third category involves confidential information about individual employees or groups of employees. Personal information, such as salary, benefits and other personal data, shall be treated as confidential. Personnel files, payroll information, medical information, disciplinary matters, and similar information shall be maintained in a manner to ensure confidentiality in accordance with applicable laws.

Confidential corporate information must not be disclosed by employees to anyone outside the Company, except for a legitimate business purpose (such as contacts with the Company's accountants, its outside lawyers or vendors with whom the Company has contracted). For that reason, you must exercise caution when discussing the Company's business in public places. Any request arising through a legal process must be directed to the Legal Department. Any request for financial information must be directed to the Chief Financial Officer. Even within the Company, confidential corporate information should be discussed only with those who have a need to know the information. An employee's obligation to safeguard confidential corporate information continues even after the employee leaves the Company.

4.1 Release of Information about the Company

The Company has designated spokespersons and arranges for the release of information exclusively through them. All requests for information should be referred to the Chief Financial Officer, the Company's Legal Department or other designees as assigned. Releasing any corporate information through any other channels is a violation of this Code. If you are contacted by the press or a public agency requesting information or a statement, you should refer them to the Company's spokesperson who is currently Vivian Brooks (telephone 508-347-2368 or 774-452-4270).

5.0 Use of Company Assets

There are a number of perquisites/business tools that are given to or accessible to the Company's employees to help them do their work. When using these tools, you are expected to do so with respect for the Company's employees, systems, assets and resources. Occasional and limited use of them for personal reasons does not constitute a violation of the Code. (e.g., use of cellular phone for "reasonable" personal calls, the use of a personal computer for an occasional personal e-mail, or minor use of copy machine for non-work items). Company assets or the services of company personnel may not be used for the personal benefit of any employee. Such a practice not only violates ethical standards, but it could also violate tax or other legal requirements. Accordingly, no employee may use Company assets unless approved by the CCO and arrangements are made for personal payment.

5.1 No Expectation of Privacy

You should have no expectation of privacy regarding the Company's computer and other electronic resources. All electronic and telephonic communications, and stored information, transmitted, received, or archived in the Company's electronic, telephonic or computer systems are the property of the Company. Although the Company reserves the right to do so, employees should not attempt to enter, access, monitor, retrieve or disclose information from another employee's e-mail, voice-mail or computer files without express permission from the CCO, the Chief Financial Officer, or the Company's Legal Department.

5.2 Proper Communications

E-mail and voice mail shall not be used to transmit vulgar, offensive, profane or insulting messages or images, specifically including messages or images which violate the Company's Commitment to Fair Treatment or applicable law.

6.0 Government Relations

The Company and its employees are expected to know and obey the laws of the state and local governments in which our offices, restaurants and manufacturing facilities are located, as well as federal laws which affect our business. It is the Company's policy to comply with all environmental laws and regulations. Employees are obliged to employ proper procedures with respect to the handling and disposal of hazardous or potentially hazardous materials.

7.0 Fair Treatment

The Company has separately adopted a Commitment to Fair Treatment policy. All employees are expected to scrupulously adhere to it. Violations are taken seriously and may result in the termination of employment.

8.0 Travel and Entertainment

The Company has adopted a Travel and Entertainment Policy to which all employees are expected to adhere. This policy does not prohibit employees from participation in or acceptance of awards from airline or other travel-related loyalty programs provided that any benefits received by the employee for business-related transactions are available equally to all program participants and such benefits were not received by the employee as a result of the violation of or abuse of any Company policies.

9.0 Discipline

Violations of this Code may lead to disciplinary action, including termination of your employment. Depending on the seriousness of the violation, the Company may terminate your employment with no prior warning. The conduct of each employee vitally matters to the Company. Improper conduct, whether intentional or unintentional, even by a single employee may bring serious harm to the Company and/or undermine our reputation. All employees have an obligation to disclose any information they have about violations of this Code by others, using sound judgment and discretion prior to reporting such serious offenses.

You acknowledge that you may be held personally and financially liable for your conduct which is in violation of applicable law or the provisions of this Code or other Company policy.

10.0 Individual Judgment

These guidelines are to help all of us better understand what the Company believes to be in the best interests of our employees, affiliates, and those with whom we do business as well as the customers we see in our restaurants every day. However, each of us must depend upon our own individual judgment in deciding on the correct course of action. When considering a particular situation, the following questions may help you arrive at the right decision:

- Is my action legal?
- Is my action consistent with approved Company practices?
- Does my action give the appearance of impropriety?
- Will my action bring discredit on the Company or any employee if it becomes generally known?
- Can I defend my action to my supervisor, other employees and the general public?
- Does my action meet the spirit, as well as the letter, of this Code?

Always use good judgment and common sense. This Code reflects the collective good judgment and common sense of many who have preceded us. Whenever you see a situation where this is not the case, you have the responsibility to bring it to the Company's attention so it may be corrected. Recognizing that our judgment is never perfect, please contact the CCO at any time to discuss any concern you have regarding the exercise of judgment in any business situation.

11.0 Code Enforcement; Application

It is our policy to prevent the occurrence of unethical or unlawful behavior, to immediately stop any such behavior that is detected and to discipline persons who engage in such behavior. We will also discipline managers who fail to exercise adequate supervision and oversight which may allow such behavior to occur unnoticed.

This Code sets forth general guidelines only and does not include all circumstances that would fall within the intent of the Code and be considered a violation that should be reported. Employees should report all anticipated, threatened, suspected or known unethical, dishonest, violent or illegal activities whether or not they are specifically addressed in the Code. The Company's policies prohibit intimidation or retribution for any reports of misconduct by others that are made in good faith. THE COMPANY ALERTLINE: 1-800-93ALERT (1-800-932-5378).

11.1 Chief Compliance Officer

In order to help ensure compliance with this Code, the Company has appointed a Chief Compliance Officer, who has responsibility for the following duties:

- a. Coordinating periodic reviews and updating this Code as necessary;
- b. Ensuring that each employee who is subject to this Code is given a copy upon employment and that each subject employee signs an acknowledgment annually;
- c. Maintaining records related to this Code; and
- d. Performing such other activities as are reasonably related to the foregoing or are required to ensure successful implementation of this Code.

The Company's Chief Compliance Officer as of January 2008 is Charles A. Conine, Executive Vice President of Human Resources & Administration, who may be reached at the Company's home office in Memphis, Tennessee or by calling 901-766-6407.

11.2 Reporting

The Chief Compliance Officer shall make periodic reports to the CEO and Board of Directors concerning compliance with this Code.

11.3 Code Amendments

The Company reserves the right to amend this Code, in whole or in part, at any time and in its sole discretion. The most recent amendment to this Code occurred in January 2008.

11.4 No Contract

Nothing contained in this Code is to be construed or interpreted to create a contract of employment, and nothing contained in the Code alters a person's status of employment-at-will.

12.0 Certification & Acknowledgment

Each employee in our restaurants at the level of general manager and above and in our offices and manufacturing facilities at the level of manager or above is required to certify upon employment and periodically thereafter, that they have carefully read and are familiar with the guidelines contained in this Code of Business Conduct and in the other policies referred to in this Code of Business Conduct.

I hereby certify that I have read the 2008 Code of Business Conduct policy and agree to comply with the terms and conditions as written; I am not aware of any illegal or unethical conduct or behavior in violation of this Code by me or any other employee in the Company that has not been reported.

Employee Signature

Date

Print Name

Work Location

PLEASE RETURN ONE SIGNED ORIGINAL SIGNATURE PAGE OF THIS DOCUMENT TO
THE HUMAN RESOURCES DEPARTMENT IN MEMPHIS