

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported) SEPTEMBER 22, 2005

PIZZA INN, INC.

(Exact name of registrant as specified in its charter)

MISSOURI 0-12919 47-0654575  
(State or other jurisdiction (Commission File Number) (IRS Employer  
of incorporation) Identification No.)

3551 PLANO PARKWAY, THE COLONY, TEXAS 75056  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (469) 384-5000

NOT APPLICABLE

(Former name or former address, if changed since last report)

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

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 7.01 REGULATION FD DISCLOSURE.

Pizza Inn, Inc. elects to disclose the information in the letter to shareholders furnished as Exhibit 99.1 to this report and incorporated herein by reference through Form 8-K pursuant to Regulation FD.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(C) EXHIBITS.

EXHIBIT NO. DESCRIPTION OF EXHIBIT

99.1 September 15, 2005 letter to shareholders from Timothy P. Taft,  
President and Chief Executive Officer of Pizza Inn, Inc. (furnished herewith  
and incorporated herein by reference)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Pizza Inn, Inc.

Date: September 22, 2005

By: /s/ Rod J. McDonald  
Name: Rod J. McDonald  
Title: Corporate Secretary  
and General Counsel

September 15, 2005

Dear Shareholder:

This letter has one purpose and that is to reshape your understanding of your Pizza Inn investment. After the bankruptcy in the early 1990s until recently, the business model for this company revolved around the franchisee. Some in the industry would describe it politely as "leveraging your earning opportunities;" our franchisees on the other hand would say we were existing off their backs.

We found and/or created ways to make money from them in every way imaginable - from commissions on media to proprietary grocery items - from kitchen equipment to charging them to attend their own franchise convention. We did this because we were focused on the short-term and as a consequence we created a business model for our franchisees that was not as healthy as it could have been.

We geared ourselves toward "selling" franchises and ignored the possibility that many existing franchisees might not make it. Those times are gone and our energy today is focused on creating long-term success for our current and future operators, which we believe, should build a solid future for the brand and our shareholders.

In the coming quarters, you may see our earnings dip as we prune our system of poor operators and finally address fundamental business issues. But, we believe you should also see improving unit-level economics for our operators when we ignore opportunities to pass costs onto them. We will work to create systems and processes dedicated to providing relief on all P&L pressure points and as a result should expect to see fewer closings because of "failure". We will be excited to share with you the results of our new prototype restaurant, the future face of Pizza Inn, as the company and our franchisees develop existing markets toward media efficiency.

We are dedicated to creating a new foundation for our future - a firm footing built on concrete versus sand. I believe we will be successful in creating long-term shareholder value because we are focused on doing what's best for Pizza Inn. In turn, our franchisees will have the best chance for short-term as well as long-term success.

Please be assured that your management team is confident in our ability to right this ship and we believe it begins with forthright communication. On a personal note, I am excited about what is possible and I'm available to meet with you any time you find yourself in our area. I would welcome the opportunity to show you our vision of the future.

Be well.

Pizza Inn, Inc.

/s/ Timothy P. Taft  
Timothy P. Taft  
President & CEO