

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) **December 16, 2004**

Pizza Inn, Inc.

(Exact name of registrant as specified in its charter)

Missouri
(State or other jurisdiction of incorporation)

0-12919
(Commission File Number)

47-0654575
(IRS Employer 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))
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Item 1.01 Entry into a Material Definitive Agreement.

On December 21, 2004, Wells Fargo Bank agreed, pursuant to that certain letter dated December 21, 2004 from Wells Fargo Bank to Pizza Inn, Inc. (the “**December 21, 2004 Letter**”), which is filed as Exhibit 99.3 to this report and incorporated herein by reference, to amend that certain Third Amended and Restated Loan Agreement between Pizza Inn, Inc. and Wells Fargo Bank (Texas), National Association dated January 22, 2003 but effective December 29, 2002 (the “**Loan Agreement**”) to continue to extend Revolving Credit Advances (as defined in the Loan Agreement) under the Loan Agreement subject to certain conditions described in the letter, including, without limitation, limiting the aggregate amount of all Revolving Credit Advances and Letter of Credit Liabilities at any time outstanding to not exceed \$1,200,000. Wells Fargo Bank also represented to Pizza Inn, Inc. in the December 21, 2004 Letter that \$615,071.18 is currently outstanding and that Wells Fargo Bank would have the right to terminate the agreement to continue to extend Revolving Credit Advances at any time upon prior written notice to Pizza Inn, Inc.

The terms and conditions of the Loan Agreement are described in the Loan Agreement which is filed as Exhibit 10.1 to that certain Quarterly Report on Form 10-Q for the quarterly period ended December 29, 2002 filed February 11, 2003 by Pizza Inn, Inc. with the Commission and incorporated herein by reference. The terms and conditions of the amendment(s) to the Loan Agreement are described in the December 21, 2004 Letter. See also the disclosure(s) under Item 1.02 of this report.

Item 1.02 Termination of a Material Definitive Agreement.

On December 16, 2004, Wells Fargo Bank, National Association, notified Pizza Inn, Inc. that, pursuant to Section 10.12 of the Loan Agreement, the Revolving Credit Commitment (as defined in the Loan Agreement) and all other lending obligations of Wells Fargo Bank, as the lender, under the Loan Agreement or any of the other Loan Documents (as defined in the Loan Agreement) were automatically terminated as a result of a Change of Control (as defined in the Loan Agreement) resulting from Ronald W. Parker ceasing to be the Chief Executive Officer of Pizza Inn, Inc.

The Revolving Credit Commitment, other lending obligations, Change of Control, and other terms and conditions of the Loan Agreement are described in the Loan Agreement. See also the disclosure(s) under Item 1.01 of this report.

Item 7.01 Regulation FD Disclosure.

Pizza Inn, Inc. elects to disclose the information in the letters furnished as Exhibits 99.1, 99.2, and 99.3 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
10.1	Second Amended and Restated Loan Agreement dated March 31, 2000 between Pizza Inn, Inc. and Wells Fargo Bank (Texas), National Association (incorporated herein by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q for the quarterly period ended March 26, 2000 filed May 9, 2000 by Pizza Inn, Inc. with the Commission)

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Exhibit No.	Description of Exhibit
10.2	First Amendment to the Second Amended and Restated Loan Agreement dated December 28, 2000 between Pizza Inn, Inc. and Wells Fargo Bank Texas, National Association (incorporated herein by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q for the quarterly period ended December 24, 2000 filed February 6, 2001 by Pizza Inn, Inc. with the Commission)
10.3	Second Amendment to the Second Amended and Restated Loan Agreement and Related Loan Documents dated January 31, 2002 but effective December 23, 2001 between Pizza Inn, Inc. and Wells Fargo Bank Texas, National Association (incorporated herein by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q for the quarterly period ended December 23, 2001 filed February 5, 2002 by Pizza Inn, Inc. with the Commission)
10.4	Third Amendment to the Second Amended and Restated Loan Agreement dated September 26, 2002 but effective June 25, 2002 between Pizza Inn, Inc. and Wells Fargo Bank Texas, National Association (incorporated herein by reference to Exhibit 10.4 to the Annual Report on Form 10-K for the fiscal year ended June 30, 2002 filed September 27, 2002 by Pizza Inn, Inc. with the Commission)
10.5	Third Amended and Restated Loan Agreement dated January 22, 2003 but effective December 29, 2002 between Wells Fargo Bank (Texas), National Association and Pizza Inn, Inc. (incorporated herein by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q for the quarterly period ended December 29, 2002 filed February 11, 2003 by Pizza Inn, Inc. with the Commission)
10.6	Construction Loan Agreement dated December 28, 2000 between Pizza Inn, Inc. and Wells Fargo Bank Texas, National Association (filed as Exhibit 10.2 to the Quarterly Report on Form 10-Q for the quarterly period ended December 24, 2000 filed February 6, 2001 by Pizza Inn, Inc. with the Commission)
10.7	Promissory Note dated December 28, 2000 between Pizza Inn, Inc. and Wells Fargo Bank Texas, National Association (incorporated herein by reference to Exhibit 10.3 to the Quarterly Report on Form 10-Q for the quarterly period ended December 24, 2000 filed February 6, 2001 by Pizza Inn, Inc. with the Commission)
10.8	Fifth Amended and Restated Revolving Credit Note dated January 31, 2002 between Pizza Inn, Inc. and Wells Fargo Bank (Texas), National Association (incorporated herein by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q for the quarterly period ended December 23, 2001 filed February 5, 2002 by Pizza Inn, Inc. with the Commission)
99.1	Letter dated December 16, 2004 from Wells Fargo Bank, National Association to Pizza Inn, Inc. (furnished herewith and incorporated herein by reference)
99.2	Letter dated December 20, 2004 from Wells Fargo Bank, National Association to Pizza Inn, Inc. (furnished herewith and incorporated herein by reference)
99.3	Letter dated December 21, 2004 from Wells Fargo Bank, National Association to Pizza Inn, Inc. (filed herewith and incorporated herein by reference)

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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: December 22, 2004

By: /s/ Rod McDonald

Name: Rod McDonald

Title: Acting Chief Executive Officer



North Dallas Regional Commercial Banking
4975 Preston Park Boulevard
Suite 280
Plano, TX 75093
972 599-5345
972 867-5674 Fax

December 16, 2004

CERTIFIED MAIL:
Receipt No. 24220131950

Pizza Inn, Inc.
3551 Plano Parkway
The Colony, Texas 75056
Attn: Mark Schwartz

Re: Third Amended and Restated Loan Agreement (as amended by that certain First Amendment to Third Amended and Restated Loan Agreement dated as of March 28, 2004, the ("**Loan Agreement**") dated as of January 22, 2003 by and between Pizza Inn, Inc. ("**Borrower**") and Wells Fargo Bank, National Association (successor to Wells Fargo Bank (Texas), National Association, herein "**Bank**"). All terms used herein and not otherwise defined herein shall have the meanings given to them in the Loan Agreement.

Ladies and Gentlemen:

The purpose of this letter is to notify you that Bank is aware of a Change of Control resulting from Ronald Parker ceasing to be the Chief Executive Officer of Borrower. As a result of such Change of Control and pursuant to **Section 10.12** of the Loan Agreement, the Revolving Credit Commitment and all other lending obligations of Bank under the Loan Agreement or any of the other Loan Documents are automatically terminated.

Although, pursuant to the Loan Agreement, Borrower has expressly waived notice of Bank's exercise of certain rights and remedies, this letter is being provided as a courtesy to you. Please be advised that the notice given hereby is being made pursuant to the terms and provisions of the Loan Agreement and the other Loan Documents and is not intended to and does not constitute a waiver of any default under the Loan Documents now or hereafter existing or any of the rights or remedies which Bank may have pursuant to the Loan Documents. No failure to exercise and no delay in exercising, on the part of Bank shall operate as a waiver of any rights which Bank may, now or in the future, have pursuant to the terms of the Loan Documents.

You are hereby notified that Bank requires strict compliance with the terms and conditions of the Loan Documents and Bank does not in any manner waive any rights or remedies available against Borrower pursuant to the Loan Agreement, Notes, Loan Documents or applicable law. No waiver of any provision of the Loan Agreement or any other Loan Document shall be effective unless the same shall be in writing and signed by Bank, and then such waiver or consent shall be effective only in the specific instance to which it relates and for the purpose for which it is given. The rights provided for in the Loan Agreement and the other Loan Documents are cumulative and not intended to be exclusive of any other right given hereunder or now or hereafter existing at law or in equity or by statute or otherwise.

Your immediate attention to this matter is recommended.

Very truly yours,

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: /s/ RALPH C. HAMM, III

Name: Ralph C. Hamm, III

Title: Vice President



North Dallas Regional Commercial Banking
4975 Preston Park Boulevard
Suite 280
Plano, TX 75093
972 599-5345
972 867-5674 Fax

December 20, 2004

OVERNIGHT MAIL:

Tracking No. 24282925656

Pizza Inn, Inc.
3551 Plano Parkway
The Colony, Texas 75056
Attn: Mark Schwartz

Re: Third Amended and Restated Loan Agreement (as amended by that certain First Amendment to Third Amended and Restated Loan Agreement dated as of March 28, 2004, the "**Loan Agreement**") dated as of January 22, 2003 by and between Pizza Inn, Inc. ("**Borrower**") and Wells Fargo Bank, National Association (successor to Wells Fargo Bank (Texas), National Association, herein "**Bank**"). All terms used herein and not otherwise defined herein shall have the meanings given to them in the Loan Agreement.

Ladies and Gentlemen:

It is Bank's understanding that Ronald Parker has been terminated as chief executive officer of Borrower. Although Bank has been previously notified that the Board of Directors of Borrower was considering the termination of Mr. Parker, the Bank discovered the fact of Mr. Parker's actual termination on December 13, 2004 by an article appearing in the Dallas Morning News on December 14, 2004. This termination constitutes a Change of Control under the Loan Agreement (the "**Parker Change of Control**") and, as a result, the Revolving Credit Commitment and all other lending obligations of Bank under the Loan Agreement or any of the other Loan Documents automatically terminated. Bank previously notified you of this termination pursuant to a letter dated December 16, 2004.

In addition, **Section 10.12** of the Loan Agreement requires Borrower to notify Bank and offer to accelerate payment of the Obligations ("**Notice and Offer**") within five (5) days after the occurrence of a Change of Control. As of the date of this letter Bank has not received a proper Notice and Offer from Borrower in connection with the Parker Change of Control. Unless Borrower strictly complies with the terms of **Section 10.12** of the Loan Agreement and provides Bank with a Notice and Offer relating to the Parker Change of Control on or before December 28, 2004, such failure shall constitute an Event of Default under the Loan Agreement and Bank shall have the right to exercise all of its rights and remedies provided for in the Loan Agreement and the other Loan Documents.

You are hereby notified that Bank requires strict compliance with the terms and conditions of the Loan Documents and Bank does not in any manner waive any rights or remedies available against Borrower pursuant to the Loan Agreement, Notes, Loan Documents or applicable law. No waiver of any provision of the Loan Agreement or any other Loan Document shall be effective unless the same shall be in writing and signed by Bank, and then such waiver or consent shall be effective only in the specific instance to which it relates and for the purpose for which it is given. The rights provided for in the Loan Agreement and the other Loan Documents are cumulative and not intended to be exclusive of any other right given hereunder or now or hereafter existing at law or in equity or by statute or otherwise.

Your immediate attention to this matter is recommended.

Very truly yours,

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: /s/ RALPH C. HAMM, III _____

Name: Ralph C. Hamm, III _____

Title: Vice President _____



North Dallas Regional Commercial Banking
4975 Preston Park Boulevard
Suite 280
Plano, TX 75093
972 599-5345
972 867-5674 Fax

December 21, 2004

**OVERNIGHT MAIL;
Tracking No. 24282986954**

Pizza Inn, Inc.
3551 Plano Parkway
The Colony, Texas 75056
Attn: Mark Schwartz

Re: Third Amended and Restated Loan Agreement (as amended by that certain First Amendment to Third Amended and Restated Loan Agreement dated as of March 28, 2004, the ***"Loan Agreement"***) dated as of January 22, 2003 by and between Pizza Inn, Inc. (***"Borrower"***) and Wells Fargo Bank, National Association (successor to Wells Fargo Bank (Texas), National Association, herein ***"Bank"***). All terms used herein and not otherwise defined herein shall have the meanings given to them in the Loan Agreement.

Ladies and Gentlemen;

Reference is made to that certain letter dated December 16, 2004, sent you by Bank (the ***"December 16, 2004 Letter"***) notifying you of its awareness of a Change of Control resulting from Ronald Parker ceasing to be the Chief Executive Officer of Borrower (the ***"Parker Change of Control"***). In the December 16, 2004 Letter, Bank informed you that as a result of the Parker Change of Control, the Revolving Credit Commitment and all other lending obligations of Bank under the Loan Agreement or any of the other Loan Documents are automatically terminated.

You have requested that Bank continue to extend Revolving Credit Advances under the Loan Agreement. Without waiving any Default or Event of Default now existing or hereafter arising under the Loan Agreement and the other Loan Documents or any of Bank's rights and remedies under the Loan Agreement and the other Loan Documents resulting from the Parker Change of Control, Bank agrees to continue to extend Revolving Credit Advances under the Loan Agreement subject to the following:

1. No Event of Default shall have occurred and be continuing, or would result from such Revolving Credit Advance;
 2. All of the representations and warranties contained in the Loan Agreement and in the other Loan Documents shall be true and correct on and as of the date of such Revolving Credit Advance;
 3. All Revolving Credit Advances, and requests thereof, shall be made in accordance with, and subject to, the terms set forth in the Loan Agreement;
 4. The aggregate amount of all Revolving Credit Advances and Letter of Credit Liabilities at any time outstanding shall not exceed \$1,200,000 of which \$615,071.18 is currently outstanding;
 5. Borrower and each other Obligated Party shall have executed and delivered to Bank the Ratification and Release Agreement attached hereto as **Exhibit A**;
 6. Bank shall have received resolutions of Borrower and each Obligated Party certified by their respective Secretary or an Assistant Secretary which authorize the execution, delivery, and
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performance by such party of the Loan Documents, including without limitation, the Ratification and Release Agreement, to which Borrower or such Obligated Party is or is to be a party;

7. Bank shall have received a certificate of incumbency of Borrower and each Obligated Party certified by their respective Secretary or an Assistant Secretary certifying the names of the officers of Borrower and such Obligated Party authorized to sign the Loan Documents, including without limitation, the Ratification and Release Agreement, to which Borrower or such Obligated Party is or is to be a party (including the certificates contemplated herein) together with specimen signatures of such officers; and

8. Bank shall have the right to terminate its agreement to continue to extend Revolving Credit Advances at any time upon prior written notice to Borrower.

Notwithstanding Bank's agreement to continue to extend Revolving Credit Advances, subject to the foregoing conditions, you are hereby notified that Bank requires strict compliance with the terms and conditions of the Loan Documents and Bank does not in any manner waive any Default or Event of Default now existing or hereafter arising under the Loan Agreement and the other Loan Documents or any of Bank's rights or remedies available against Borrower pursuant to the Loan Agreement, Notes, Loan Documents or applicable law, including, without limitation, Bank's right to terminate the Revolving Credit Commitment and all other lending obligations of Bank under the Loan Agreement or any of the other Loan Documents. No waiver of any provision of the Loan Agreement or any other Loan Document shall be effective unless the same shall be in writing and signed by Bank, and then such waiver or consent. shall be effective only in the specific instance to which it relates and for the purposes for which it is given. The rights provided for in the Loan Agreement and the other Loan Documents are cumulative and not intended to be exclusive of any other right given hereunder or now or hereafter existing at law or in equity or by statute or otherwise.

Your immediate attention to this matter is recommended.

Very truly yours,

**WELLS FARGO BANK, NATIONAL
ASSOCIATION**

By: /s/ RALPH HAMM III
Name: Ralph Hamm III
Title: Vice President

EXHIBIT A

RATIFICATION AND RELEASE AGREEMENT

THIS RATIFICATION AND RELEASE AGREEMENT (this "**Agreement**"), is executed as of December 21, 2004 by **PIZZA INN, INC.**, a Missouri corporation ("**Borrower**"), **BARKO REALTY, INC.**, a Texas corporation ("**Barko**"), **R-CHECK, INC.**, a Texas corporation ("**R-Check**"), and **PIZZA INN OF DELAWARE, INC.**, a Delaware corporation ("**Pizza Inn Delaware**"), Barko, R-Check and Pizza Inn Delaware are collectively referred to herein as the "**Guarantor**" and each individually as a "**Guarantor**" to and for the benefit of **WELLS FARGO BANK, NATIONAL ASSOCIATION** (successor to Wells Fargo Bank (Texas), National Association, herein "**Bank**").

RECITALS:

WHEREAS, Borrower and Bank are parties to that certain Third Amended and Restated Loan Agreement (as amended by that certain First Amendment to Third Amended and Restated Loan Agreement dated as of March 28, 2004, the "**Loan Agreement**") dated as of January 22, 2003. All terms used herein and not otherwise defined herein shall have the meanings given to them in the Loan Agreement;

WHEREAS, Guarantors executed and delivered that certain Third Amended and Restated Guaranty dated January 22, 2003, to and in favor of Bank (the "**Guaranty**");

WHEREAS, a Change of Control has occurred under the Loan Agreement resulting from Ronald Parker ceasing to be the Chief Executive Officer of Borrower (the "**Parker Change of Control**") and as a result the Revolving Credit Commitment and all other lending obligations of Bank under the Loan Agreement or any of the other Loan Documents automatically terminated;

WHEREAS, Borrower has requested that Bank continue to extend Revolving Credit Advances under the Loan Agreement; and

WHEREAS, pursuant to the terms of that certain letter dated December 21, 2004 from Bank to Borrower (the "**December 21, 2004 Letter**"), Bank has conditioned its agreement to continue to extend Revolving Credit Advances under the Loan Agreement on, among other things, the execution of this Agreement by Borrower and Guarantors ("**Obligors**").

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, Obligors hereby represent, warrant and agree as follows:

1. Consent. Obligors hereby consent and agree to the terms of the December 21, 2004 Letter.
2. Ratifications. The terms and provisions of the Loan Agreement, the Guaranty and each other Loan Document are ratified and confirmed and shall continue in full force and effect. Guarantors acknowledge and agree that any and all Revolving Credit Advances made to Borrower by Bank pursuant to the December 21, 2004 letter are included as a portion of the indebtedness guaranteed by Guarantor under the Guaranty. Obligors agree that the Loan Agreement, the Guaranty and each other Loan Document to which they are a party are legal, valid and binding obligations of Obligors, and enforceable against Obligors in accordance with their respective terms.
3. Representations and Warranties. The representations and warranties contained in the Loan Agreement, the Guaranty and each other Loan Document are true and correct on and as of the date

hereof as though made on and as of the date hereof, except to the extent such representations and warranties relate to an earlier date.

4. Outstanding Obligations. The current outstanding principal balance of (a) the Real Estate Loan is \$6,940,104.00 and (b) the Revolving Credit Advances and Letter of Credit Liabilities is \$615,071.18.

5. Full Compliance. Except for the Parker Change of Control and defaults now existing or hereafter arising therefrom, Obligor is in full compliance with all covenants and agreements contained in the Loan Agreement, the Guaranty and each other Loan Document to which they are a party and no Default or Event of Default exists thereunder.

6. Release. Each Obligor hereby acknowledges that it has no defense, counterclaim, offset, cross-complaint, claim or demand of any kind or nature whatsoever that can be asserted to reduce or eliminate all or any part of its liability to repay the Obligations or to seek affirmative relief or damages of any kind or nature from Bank. Each Obligor hereby voluntarily and knowingly releases and forever discharges Bank, its predecessors, agents, board of directors, officers, employees, successors and assigns, from all possible claims, demands, actions, causes of action, damages, costs, expenses, and liabilities whatsoever, known or unknown, anticipated or unanticipated, suspected or unsuspected, fixed, contingent, or conditional, at law or in equity, originating in whole or in part on or before the date hereof, which Obligor may now or hereafter have against Bank, its predecessors, agents, board of directors, officers, employees, successors and assigns, if any, and irrespective of whether any such claims arise out of contract, tort, violation of law or regulations, or otherwise, and arising from any of the Obligations, including, without limitation, any contracting for, charging, taking, reserving, collecting or receiving interest in excess of the highest lawful rate applicable, and the exercise of any rights and remedies under the Loan Agreement, the Guaranty or any other Loan Document.

IN WITNESS WHEREOF, the Borrower has duly executed this Agreement as of the day and year first above written.

BORROWER:

PIZZA INN, INC.

By: _____
Name: _____
Title: _____

GUARANTORS:

BARKO REALTY, INC.

By: _____
Name: _____
Title: _____

R-CHECK, INC.

By: _____
Name: _____
Title: _____

PIZZA INN OF DELAWARE, INC.

By: _____
Name: _____
Title: _____