SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-Q

(Mark One)

þ **Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the quarterly period ended March 27, 2011

o **Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Commission File Number: 0-12919

PIZZA INN, INC.

(Exact name of registrant as specified in its charter)

Missouri	**47-0654575**
(State or other jurisdiction of Incorporation or organization)	**(I.R.S. Employer Identification No.)**

3551 Plano Parkway
The Colony, Texas 75056
(Address of principal executive offices)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes þ No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ___   No ___

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check One)

Large accelerated filer o Accelerated filer o Non-accelerated filer o Smaller reporting company þ

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No þ

As of May 9, 2011, 8,010,919 shares of the issuer's common stock were outstanding.

PIZZA INN, INC.

Index

PART I. FINANCIAL INFORMATION

PART II. OTHER INFORMATION

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

PIZZA INN, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended		Nine Months Ended	
REVENUES:	**March 27, 2011**	**March 28, 2010**	**March 27, 2011**	**March 28, 2010**
Food and supply sales	$ 8,650	$ 8,378	$ 25,841	$ 25,389
Franchise revenue	937	1,041	2,879	3,107
Restaurant sales	1,134	760	2,988	2,094
	10,721	10,179	31,708	30,590
COSTS AND EXPENSES:				
Cost of sales	8,679	8,163	25,856	24,740
Franchise expenses	518	524	1,422	1,421
General and administrative expenses	777	865	2,448	2,474
Costs associated with store closure	-	-	319	-
Bad debt	15	15	70	55
Interest expense	21	26	49	52
	10,010	9,593	30,164	28,742
INCOME FROM CONTINUING OPERATIONS BEFORE TAXES	711	586	1,544	1,848
Income taxes	246	186	523	615
INCOME FROM CONTINUING OPERATIONS	465	400	1,021	1,233
Loss from discontinued operations, net of taxes	(23)	(38)	(71)	(118)
NET INCOME	$ 442	$ 362	$ 950	$ 1,115
EARNINGS PER SHARE OF COMMON STOCK - BASIC:				
Income from continuing operations	$ 0.06	$ 0.05	$ 0.13	$ 0.15
Loss from discontinued operations	-	-	(0.01)	(0.01)
Net income	$ 0.06	$ 0.05	$ 0.12	$ 0.14
EARNINGS PER SHARE OF COMMON STOCK - DILUTED:				
Income from continuing operations	$ 0.06	$ 0.05	$ 0.13	$ 0.15
Loss from discontinued operations	-	-	(0.01)	(0.01)
Net income	$ 0.06	$ 0.05	$ 0.12	$ 0.14
Weighted average common shares outstanding - basic	8,011	8,011	8,011	8,011
Weighted average common and potential dilutive common shares outstanding	8,016	8,011	8,013	8,011

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

PIZZA INN, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share amounts)

ASSETS	**March 27, 2011 (unaudited)**	**June 27, 2010**
CURRENT ASSETS		
Cash and cash equivalents	$ 704	$ 761
Accounts receivable, less allowance for bad debts of $247 and $178, respectively	3,041	2,678
Income tax receivable	321	184
Inventories	1,707	1,489
Deferred income tax assets	704	723
Prepaid expenses and other	291	276
Total current assets	6,768	6,111
LONG-TERM ASSETS		
Property, plant and equipment, net	3,009	2,167
Long-term notes receivable	67	-
Deferred income tax assets	-	48
Deposits and other	233	132
	$ 10,077	$ 8,458
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable - trade	$ 1,671	$ 1,783
Deferred revenues	276	236
Accrued expenses	1,411	1,360
Bank debt	333	110
Total current liabilities	3,691	3,489
LONG-TERM LIABILITIES		
Deferred gain on sale of property	115	134
Deferred tax liability	122	-
Deferred revenues	176	207
Bank debt	566	220
Other long-term liabilities	3	27
Total liabilities	4,673	4,077
COMMITMENTS AND CONTINGENCIES (See Note 3)		
SHAREHOLDERS' EQUITY		
Common stock, $.01 par value; authorized 26,000,000 shares; issued 15,130,319 and 15,130,319 shares, respectively; outstanding 8,010,919 and 8,010,919 shares, respectively	151	151
Additional paid-in capital	8,979	8,906
Retained earnings	20,910	19,960
Treasury stock at cost		
Shares in treasury: 7,119,400 and 7,119,400, respectively	(24,636)	(24,636)
Total shareholders' equity	5,404	4,381
	$ 10,077	$ 8,458

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

PIZZA INN, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Nine Months Ended	
	March 27, 2011	March 28, 2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 950	$ 1,115
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	689	258
Stock compensation expense	73	122
Deferred tax	189	-
Provision for bad debts	70	55
Net income adjusted for non-cash items	1,971	1,550
Changes in operating assets and liabilities:		
Notes and accounts receivable	(634)	(652)
Inventories	(218)	(192)
Accounts payable - trade	(112)	(100)
Accrued expenses	7	712
Deferred revenue	10	160
Prepaid expenses and other	(130)	(232)
Net changes in operating assets and liabilities	(1,077)	(304)
Cash provided by operating activities	894	1,246
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(1,520)	(650)
Cash used by investing activities	(1,520)	(650)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Change in line of credit, net	569	(291)
Cash provided (used) by financing activities	569	(291)
Net increase (decrease) in cash and cash equivalents	(57)	305
Cash and cash equivalents, beginning of period	761	274
Cash and cash equivalents, end of period	$ 704	$ 579

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

PIZZA INN, INC.
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION
(In thousands)
(Unaudited)

	Nine Months Ended	
	March 27, 2011	March 28, 2010
CASH PAYMENTS FOR:		
Interest	$ 49	$ 52
Income taxes	510	346

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

The accompanying condensed consolidated financial statements of Pizza Inn, Inc. (the "Company") have been prepared without audit pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). Certain information and footnote disclosures normally included in the financial statements have been omitted pursuant to such rules and regulations. The unaudited condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the fiscal year ended June 27, 2010.

In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all adjustments necessary to fairly present the Company's financial position and results of operations for the interim periods reflected. Except as noted, all adjustments contained herein are of a normal recurring nature. Results of operations for the fiscal periods presented herein are not necessarily indicative of fiscal year-end results.

(1) **Summary of Significant Accounting Policies**

Principles of Consolidation
The consolidated financial statements include the accounts of the Company and its subsidiaries, all of which are wholly owned. All appropriate intercompany balances and transactions have been eliminated.

Cash and Cash Equivalents
The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Fiscal Quarters
Fiscal third quarters ended March 27, 2011 and March 28, 2010, both contained 13 weeks and fiscal year to date ended March 27, 2011 and March 28, 2010 both contained 39 weeks.

Revenue Recognition
The Company recognizes revenue when products are delivered and the customer takes ownership and assumes risk of loss, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and the sales price is fixed or determinable. The Company's Norco division sells food and supplies to franchisees on trade accounts under terms common in the industry. Food and supply revenue are recognized upon delivery of the product. Norco sales are reflected under the caption "Food and supply sales." Shipping and handling costs billed to customers are recognized as revenue.

Franchise revenue consists of income from license fees, royalties, and area development and foreign master license fees. License fees are recognized as income when there has been substantial performance under the agreement by both the franchisee and the Company. Domestic license fees are generally recognized at the time the restaurant is opened. Foreign master license fees are generally recognized upon execution of the agreement as all material services relating to the sale have been substantially performed by the Company and the fee has been collected. Royalties are recognized as income when earned.

Stock-Based Compensation
We account for stock options using the fair value recognition provisions of the authoritative guidance on share-based payments.

The Company uses the Black-Scholes formula to estimate the value of stock-based compensation for options granted to employees and directors and expects to continue to use this acceptable option valuation model in the future. The authoritative guidance also requires the benefits of tax deductions in excess of recognized compensation cost to be reported as a financing cash flow.

Use of Management Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Company's management to make estimates and assumptions that affect its reported amounts of assets, liabilities, revenues, expenses and related disclosure of contingent liabilities. The Company bases its estimates on historical experience and other various assumptions that it believes are reasonable under the circumstances. Estimates and assumptions are reviewed periodically and actual results could differ materially from estimates.

Reclassification

Certain items have been reclassified in the prior year financial statements to conform to current year presentation.

(2) **Long-Term Debt**

On January 11, 2010, the Company entered into a Loan Agreement with Amegy Bank National Association ("Amegy") providing for a $2.0 million revolving credit facility (with a $250 thousand letter of credit subfacility) and a $1.0 million term loan facility. On January 10, 2011, the Company and Amegy entered into a First Amendment to Loan Agreement increasing the Company's term loan facility and amending certain other provisions of the Loan Agreement. As amended, the Amegy credit facility provides for a $2.0 million revolving credit facility (with a $250 thousand letter of credit subfacility) and a $2.56 million term loan facility.

The Company may borrow, repay and reborrow under the Amegy revolving credit facility through January 11, 2013, at which time all amounts outstanding under the revolving credit facility mature. Availability under the revolving credit facility is limited by advance rates on eligible inventory and accounts receivable. Interest on indebtedness from time to time outstanding under the revolving credit facility is computed at Amegy's prime rate and is payable monthly. A quarterly commitment fee of 0.25% is payable on the average unused portion of the revolving credit facility.

Amegy has agreed to make term loans under the term facility through January 11, 2012. Advances for such term loans are limited by a percentage of the costs of equipment and leasehold improvements for new restaurant locations of the Company and may not be reborrowed after repayment. Interest only is payable monthly on each term loan for up to 120 days after the initial advance. Thereafter, each term loan is payable in 36 equal monthly installments of principal plus accrued interest. Interest on each term loan accrues at Amegy's prime rate plus 1% or, at the Company's option, a fixed rate determined by Amegy. A fee of 0.5% of the total term loan facility was paid at closing.

The obligations of the Company under the Loan Agreement are secured by a pledge of substantially all of the assets of the Company and its subsidiaries including, but not limited to, accounts receivable, inventory and equipment. The Loan Agreement contains various affirmative covenants which, among other things, require the Company to provide Amegy with certain financial statements, compliance statements, reports and other information. The Loan Agreement also contains various negative covenants which, among other things, require the Company to maintain certain financial ratios and restrict the ability of the Company to engage in certain activities. The Company is in compliance with all covenants as of the reporting date. If an event of default occurs under the Loan Agreement, Amegy may terminate all commitments under the credit facilities and declare all unpaid principal, interest and other amounts owing under the credit facilities to be immediately due and payable. As of March 27, 2011 the balance on the term loan facility was $0.9 million with an interest rate of 6% and the balance on the revolving credit facility was zero with an interest rate of 5%.

(3) **Commitments and Contingencies**

On April 22, 2009 the Company's board of directors amended the stock purchase plan first adopted on May 23, 2007 and previously amended on June 2, 2008, to increase the number of shares of common stock the Company may repurchase by 1,000,000 shares to a total of 3,016,000 shares. As of March 27, 2011, there were 848,425 shares available to be repurchased under the plan.

On July 2, 2008, the Company filed a complaint against a former franchisee that operated one restaurant in the Sherman, Texas market from 2003 to 2008 for breach of contract, misappropriation of trade secrets and trademark infringement. The former franchisee filed a counterclaim alleging racial discrimination, retaliation and breach of contract. The case went to trial in June, 2010 and the Company prevailed on its breach of contract, misappropriation of trade secrets and trademark infringement claims and successfully defended against the racial discrimination allegation, but was unsuccessful in defending the retaliation claim. The net award was to the former franchisee of $197,167. Both parties submitted post-trial briefings for recovery of interest, attorneys' fees and costs and recovery of statutory damages. In March, 2011, the Court entered its Order on the issues submitted in the post-trial briefings and entered a final net judgment against the Company for $255,183. In April, 2011, the Company filed additional motions with the Court to set aside the jury's findings on several grounds and to amend the Court's award of attorneys' fees. On May 3, 2011, the former franchisee filed his response to the Company's motions and subsequently the Company filed its response. If the Court does not grant the Company's motions, the Company intends to appeal the judgment. An adverse outcome to this matter would not materially affect the Company's financial position or annual results of operation. Due to the uncertainty surrounding the outcome of this matter, the Company has not made any accrual for the judgment as of March 27, 2011. The Company estimates its maximum exposure to be the $255,183 net judgment that has already been awarded.

The Company is also subject to various claims and contingencies related to franchise disputes, lawsuits, taxes, food product purchase contracts and other matters arising out of the normal course of business. Management believes that any such claims and actions currently pending are either covered by insurance or would not have a material adverse effect on the Company's annual results of operations or financial condition if decided unfavorably.

(4) **Stock-Based Compensation**

For the quarter and nine months ended March 27, 2011, we recognized stock-based compensation expense of $13,000 and $73,000. As of March 27, 2011, unamortized stock-based compensation expense was $0.1 million.

The following table summarizes the Company's outstanding stock options for the nine months ended March 27, 2011 and March 28, 2010:

	Nine Months Ended	
	March 27, 2011	March 28, 2010
Outstanding at beginning of year	565,510	485,000
Granted	20,996	115,510
Exercised	-	-
Forfeited/Canceled/Expired	(25,000)	-
Outstanding at end of period	561,506	600,510
Exercisable at end of period	407,010	260,500

(5) **Earnings per Share (EPS)**

The following table shows the reconciliation of the numerator and denominator of the basic EPS calculation to the numerator and denominator of the diluted EPS calculation (in thousands, except per share amounts).

	Three Months Ended			
	March 27, 2011		March 28, 2010	
	Diluted	Basic	Diluted	Basic
Income from continuing operations	$ 465	$ 465	$ 400	$ 400
Discontinued operations	(23)	(23)	(38)	(38)
Net income available to common stockholders	$ 442	$ 442	$ 362	$ 362
Weighted average common shares	8,011	8,011	8,011	8,011
Dilutive stock options	5	-	-	-
Average common shares outstanding	8,016	8,011	8,011	8,011
Income from continuing operations per share	$ 0.06	$ 0.06	$ 0.05	$ 0.05
Discontinued operations loss per common share	-	-	-	-
Net income per common share	$ 0.06	$ 0.06	$ 0.05	$ 0.05

	Nine Months Ended			
	March 27, 2011		March 28, 2010	
	Diluted	Basic	Diluted	Basic
Income from continuing operations	$ 1,021	$ 1,021	$ 1,233	$ 1,233
Discontinued operations	(71)	(71)	(118)	(118)
Net income available to common stockholders	$ 950	$ 950	$ 1,115	$ 1,115
Weighted average common shares	8,011	8,011	8,011	8,011
Dilutive stock options	2	-	-	-
Average common shares outstanding	8,013	8,011	8,011	8,011
Income from continuing operations per share	$ 0.13	$ 0.13	$ 0.15	$ 0.15
Discontinued operations loss per common share	(0.01)	(0.01)	(0.01)	(0.01)
Net income per common share	$ 0.12	$ 0.12	$ 0.14	$ 0.14

For the three and nine months ended March 27, 2011, options to purchase 425,000 shares of common stock at exercise prices ranging from $2.00 to $3.17 were not included in the computation of diluted EPS because the options' exercise prices were greater than the average market price of the common shares for the period. For the quarter and nine months ended March 28, 2010, options to purchase 600,510 shares of common stock at exercise prices ranging from $1.90 to $3.17 per share were not included in the computation of diluted EPS because the options' exercise prices were greater than the average market price of the common shares for the period.

(6) **Closed restaurants and discontinued operations**

The authoritative guidance on "*Accounting for the Impairment or Disposal of Long-Lived Assets,"* requires that discontinued operations that meet certain criteria be reflected in the statement of operations after results of continuing operations as a net amount. This guidance also requires that the operations of the closed restaurants, including any impairment charges, be reclassified to discontinued operations for all periods presented.

The authoritative guidance on "*Accounting for Costs Associated with Exit or Disposal Activities,"* requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred. This authoritative guidance also establishes that fair value is the objective for initial measurement of the liability.

The Company closed two of its restaurants in Houston, Texas during the quarter ended September 23, 2007. The results of operations for these two restaurants are reported as discontinued operations in the Consolidated Statement of Operations. No provision for impairment was required to be taken at that time because the impairment taken in the fiscal year ended June 24, 2007, reduced the carrying value of the properties to their estimated net realizable value (proceeds less cost to sell). During the fourth quarter of fiscal 2010, the Company entered into a lease buy-out of one of these locations for $150,000 which eliminated all future obligations under this lease. The estimated net realizable value for the remaining location remains unchanged. This property is on the market for sub-lease. Because we believe that the property will sub-lease at or above the current lease rates, we have not reserved any additional costs related to our obligations under this non-cancelable lease.

(7) **Income Taxes**

Management re-evaluates the deferred tax asset each quarter and believes that it is more likely than not that the net deferred tax asset of $0.9 million will be fully realized based on the Company's recent history of pre-tax profits and the expectation of future taxable income as well as the future reversal of existing temporary differences. During the three and nine months ended March 27, 2011, the Company provided $246,000 and $530,000, respectively in net tax expense. In determining this amount, the Company made its best estimate of the effective tax rate expected to be applicable for the full fiscal year. The rate so determined was used to provide for income taxes on a current year to date basis.

(8) **Segment Reporting**

Summarized in the following tables are net sales and operating revenues, operating income and geographic information (revenues) for the Company's reportable segments for the three month and nine month periods ended March 27, 2011 and March 28, 2010 (in thousands). Operating income reported below excludes interest expense, income tax provision and discontinued operations.

	Three Months Ended		Nine Months Ended	
	March 27, 2011	March 28, 2010	March 27, 2011	March 28, 2010
Net sales and operating revenues:				
Food and supply distribution	$ 8,650	$ 8,378	$ 25,841	$ 25,389
Franchise and other (1)	2,071	1,801	5,867	5,201
Intersegment revenues	369	233	1,031	694
Combined	11,090	10,412	32,739	31,284
Less intersegment revenues	(369)	(233)	(1,031)	(694)
Consolidated revenues	$ 10,721	$ 10,179	$ 31,708	$ 30,590
Depreciation and amortization:				
Food and supply distribution	$ -	$ -	$ -	$ -
Franchise and other (1)	98	68	581	181
Combined	98	68	581	181
Corporate administration and other	45	26	108	77
Depreciation and amortization	$ 143	$ 94	$ 689	$ 258
Interest expense:				
Food and supply distribution	$ -	$ -	$ -	$ -
Franchise and other (1)	-	-	-	-
Combined	-	-	-	-
Corporate administration and other	21	26	49	52
Interest expense	$ 21	$ 26	$ 49	$ 52
Operating income:				
Food and supply distribution	$ 638	$ 482	$ 1,690	$ 1,434
Franchise and other (1) (2)	445	494	952	1,565
Intersegment profit	63	40	176	120
Combined	1,146	1,016	2,818	3,119
Less intersegment profit	(63)	(40)	(176)	(120)
Corporate administration and other	(372)	(390)	(1,098)	(1,151)
Operating income	$ 711	$ 586	$ 1,544	$ 1,848
Geographic information (revenues):				
United States	$ 10,472	$ 9,928	$ 30,969	$ 29,836
Foreign countries	249	251	739	754
Consolidated total	$ 10,721	$ 10,179	$ 31,708	$ 30,590

(1) Company stores that were closed are included in discontinued operations in the accompanying Condensed Consolidated Statement of Operations.

(2) Does not include full allocation of corporate administration.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the consolidated financial statements and accompanying notes appearing elsewhere in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K for the year ended June 27, 2010, and may contain certain forward-looking statements that are based on current management expectations. Generally, verbs in the future tense and the words "believe," "expect," "anticipate," "estimate," "intends," "opinion," "potential" and similar expressions identify forward-looking statements. Forward-looking statements in this report include, without limitation, statements relating to our business objectives, our customers and franchisees, our liquidity and capital resources, and the impact of our historical and potential business strategies on our business, financial condition, and operating results. Our actual results could differ materially from our expectations. Further information concerning our business, including additional factors that could cause actual results to differ materially from the forward-looking statements contained in this Quarterly Report on Form 10-Q, are set forth in our Annual Report on Form 10-K for the year ended June 27, 2010. These risks and uncertainties should be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. The forward-looking statements contained herein speak only as of the date of this Quarterly Report on Form 10-Q and, except as may be required by applicable law, we do not undertake, and specifically disclaim any obligation to, publicly update or revise such statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.

Results of Operations

Overview

The Company is a franchisor and food and supply distributor to a system of restaurants operating under the trade name "Pizza Inn." Our distribution division is Norco Restaurant Services Company ("Norco"). At March 27, 2011, there were 298 domestic and international Pizza Inn restaurants, consisting of five Company-owned domestic restaurants, 216 franchised domestic restaurants, and 77 franchised international restaurants. The 221 domestic restaurants consisted of: (i) 144 restaurants that offer dine-in, carry-out, and in many cases, delivery services ("Buffet Units"); (ii) 32 restaurants that offer delivery and carry-out services only ("Delco Units"); and (iii) 45 restaurants that are typically located within a convenience store, college campus building, airport terminal, or other commercial facility and offer quick carry-out service from a limited menu ("Express Units"). The 221 domestic restaurants were located in 18 states predominately situated in the southern half of the United States. The 77 international restaurants were located in eleven foreign countries.

Basic and diluted income per common share increased $0.01 to $0.06 for the three month period ended March 27, 2011 compared to the comparable period in the prior fiscal year. Net income for the three month period ended March 27, 2011 increased $80,000 to $0.4 million compared to the comparable period in the prior fiscal year, on revenues of $10.7 million for the three month period ended March 27, 2011 and $10.2 million for the comparable period in the prior fiscal year. Basic and diluted income per common share decreased to $0.12 for the nine month period ended March 27, 2011 compared to $0.14 for the comparable period ended March 28, 2010. Net income for the nine month period ended March 27, 2011 decreased $0.1 million to $1.0 million from $1.1 million for the comparable period in the prior fiscal year, on revenues of $31.7 million for the nine month period ended March 27, 2011 and $30.6 million for the comparable period in the prior fiscal year. The decrease in net income during the nine month period ended March 27, 2011 was primarily due to a $0.3 million non-recurring entry to record final amortization and depreciation on a Company restaurant that was closed during the first quarter of fiscal 2011.

Management believes that key performance indicators in evaluating financial results include domestic chain-wide retail sales and the number and type of operating restaurants. The following table summarizes these key performance indicators.

	Three Months Ended			
	March 27, 2011		March 28, 2010	
Domestic retail sales Buffet Units (in thousands)	$	26,627	$	25,856
Domestic retail sales Delco Units (in thousands)		1,719		2,023
Domestic retail sales Express Units (in thousands)		923		932
Total domestic retail sales (in thousands)	$	29,269	$	28,811
Average number of domestic Buffet Units		146		151
Average number of domestic Delco Units		31		37
Average number of domestic Express Units		46		47

	Nine Months Ended			
	March 27, 2011		March 28, 2010	
Domestic retail sales Buffet Units (in thousands)	$	78,551	$	78,044
Domestic retail sales Delco Units (in thousands)		5,314		6,499
Domestic retail sales Express Units (in thousands)		2,816		2,947
Total domestic retail sales (in thousands)	$	86,681	$	87,490
Average number of domestic Buffet Units		148		152
Average number of domestic Delco Units		32		38
Average number of domestic Express Units		47		48

Revenues

Currently our revenues are derived from restaurant operations, sales of food, paper products and supplies by Norco to franchisees, franchise royalties and franchise fees. Our financial results are dependent in large part upon the pricing and cost of these products and supplies to franchisees, and the level of chain-wide retail sales, which are driven by changes in same store sales and restaurant count.

Total revenues for the three month period ended March 27, 2011 increased 5.3%, or $0.5 million, to $10.7 million from $10.2 million the same period in the prior fiscal year. Food and supply sales increased to $8.7 million compared to $8.4 million the same period in the prior fiscal year. Franchise revenue decreased slightly by $0.1 million while restaurant sales increased $0.4 million primarily due to the opening and acquisition of new Company stores in fiscal 2011. Total revenues for the nine month period ended March 27, 2011 increased 3.7%, or $1.1 million, to $31.7 million from $30.6 million in the same period in the prior fiscal year primarily due to an increase in restaurant sales from the opening and acquisition of new Company stores in fiscal 2011.

Food and Supply Sales

Food and supply sales by Norco include food and paper products and other distribution revenues. Food and supply sales for the three month period ended March 27, 2011 increased 3.2%, or $0.3 million, to $8.7 million from $8.4 million in the same period in the prior fiscal year. Domestic food and paper sales accounted for the increase, driven by a 1.6% increase in domestic retail sales and 5.3% higher overall commodity prices, including 12.1% higher cheese prices, compared to the same period in the prior fiscal year. Food and supply sales for the nine month period ended March 27, 2011 increased 1.8%, or $0.4 million, to $25.8 million from $25.4 million in the same period in the prior fiscal year. Domestic food and paper sales accounted for the increase, driven primarily by 5.4% higher commodity prices, including 10.1% higher cheese prices, compared to the same period in the prior fiscal year, partially offset by a 1.0% decrease in domestic retail sales.

Franchise Revenue

Franchise revenue, which includes income from domestic and international royalties and license fees, decreased 10.0%, or $0.1 million, for the three month period ended March 27, 2011 compared to the comparable period for the prior fiscal year. The decrease was primarily due to a decline in domestic and international franchise fees of 76.9%, or $0.1 million, driven primarily by the lower number of store openings and the recognition of previously unrecorded international franchise fees in the prior year. Domestic royalties were flat to prior year despite a one-time benefit for a royalty buyout of $25,000 and a 1.6% increase in domestic retail sales. Domestic royalties were impacted by the 0% First Year Royalties incentive program the Company has in place for new franchised Buffet Units opened during the past two fiscal years. The program provides for zero royalties to be paid in the first year of operation, 2% royalties in the second year of operation and then the standard 4% royalties for the remainder of the 20 year franchise agreement. This program was implemented to stimulate demand for the Company's new buffet concept at a time when franchise development activities had declined due to overall economic conditions. In fiscal years 2010 and 2011, seven new domestic Buffet Units opened that benefitted from the incentive. Royalties waived under the incentive program increased $17,000 to $56,000 for the three months ended March 27, 2011 compared to $39,000 in the same period last year. For the nine months ended March 27, 2011 franchise revenue decreased 7.3%, or $0.2 million, compared to the comparable period for the prior fiscal year. The decrease was primarily due to a decrease in domestic royalties of 7.3%, or $0.2 million, as a result of a 1.0% decrease in domestic retail sales and a net decrease of $19,000 in one-time benefit royalty buy-outs. Royalties waived under the 0% First Year Royalties incentive program also impacted domestic royalties and increased $113,000 to $187,000 for the nine months ended March 27, 2011 compared to $74,000 in the same period last year. In addition, franchise fees decreased $43,000 due to the number of store openings.

Restaurant Sales

Restaurant sales, which consist of revenue generated by Company-owned restaurants, increased 49.2%, or $0.3 million, to $1.1 million for the three month period ended March 27, 2011 compared to $0.8 million for the comparable period in the prior fiscal year. Restaurant sales increased 42.7%, or $0.9 million, to $3.0 million for the nine month period ended March 27, 2011 compared to $2.1 million for the comparable period in the prior fiscal year. These increases were primarily due to the opening of two new stores in Fort Worth, Texas and Lewisville, Texas in August, 2010 and December, 2010, respectively. The Company also acquired a new Delco store in Fort Worth, Texas in September, 2010. The Company store located in Plano, Texas closed in September, 2010.

Costs and Expenses

Cost of Sales

Cost of sales, which primarily includes materials and distribution fees directly related to food and supply sales and labor and general and administrative expenses directly related to restaurant sales, increased 6.3%, or $0.5 million, to $8.7 million for the three month period ended March 27, 2011 compared to $8.2 million for the comparable period for the prior fiscal year. This increase in costs was associated primarily with the new Company stores opened in August, 2010 and December, 2010 and higher direct costs associated with food and supply sales. Cost of sales increased 4.5%, or $1.1 million, for the nine month period ended March 27, 2011 compared to the comparable period for the prior fiscal year, primarily due to an increase in commodity costs over the comparable period in the prior year and costs associated with the new Company stores opened in fiscal 2011.

Franchise Expenses

Franchise expenses include selling, general and administrative expenses directly related to the sale and continuing service of domestic and international franchises. These expenses were relatively unchanged at $0.5 million and $1.4 million for the three and nine month periods ended March 27, 2011, respectively, compared to the comparable periods in the prior fiscal year.

General and Administrative Expenses

General and administrative expenses decreased $0.1 million to $0.8 million, for the three month period ended March 27, 2011 compared to $0.9 million for the comparable period for the prior fiscal year primarily as the result of lower legal fees offset slightly by increased expenses relating to two new Company stores in Fort Worth and Lewisville, Texas. General and administrative expenses were relatively unchanged at $2.5 million, for the nine month period ended March 27, 2011 compared to the comparable period for the prior fiscal year.

Costs Associated with Store Closure

The Company closed its Plano, Texas location during the first fiscal quarter of 2011 and recorded a $0.3 million non-recurring entry attributable to a change in estimated useful life of the equipment and leasehold improvements. The decision to close this location at the end of the initial lease term, rather than exercising the available extension option, was based on the unit's weak historical financial performance driven by unfavorable lease terms and the continued unfavorable lease terms of the option period. A portion of the equipment and the store management from this location were relocated to the new Company store that opened in December, 2010 in a nearby trade area in Lewisville, Texas. The new Lewisville store is located in a demographically more desirable area and has more favorable lease terms than the closed Plano location.

Provision for Bad Debts

Provision for bad debt expense remained unchanged at $15,000 for the three month period ended March 27, 2011 compared to the same period of the prior year. Provision for bad debt expense increased $15,000 for the nine month period ended March 27, 2011 from the comparable period in the prior fiscal year.

Interest Expense

Interest expense was relatively unchanged for the three month and nine month periods ended March 27, 2011 compared to the comparable periods in the prior fiscal year.

Provision for Income Tax

For the three and nine month period ended March 27, 2011, income tax expense of $0.2 million and $0.5 million, respectively, was calculated on an effective income tax rate that is consistent with the statutory U.S. federal income tax rate of 34% adjusted for state income tax effects and permanent difference items. Management believes that future operations will generate sufficient taxable income, along with the reversal of temporary differences, to fully realize the net deferred tax asset of $0.9 million.

Discontinued Operations

Discontinued operations include losses from Company-owned stores in Houston, Texas closed during the quarter ended September 23, 2007.

Restaurant Openings and Closings

The following charts summarize restaurant activity for the three month and nine month periods ended March 27, 2011 and March 28, 2010:

Three months ended March 27, 2011

	Beginning of Period	Opened	Closed	End of Period
Domestic:				
Buffet Units	150	1	7	144
Delco Units	33	-	1	32
Express Units	48	-	3	45
International Units	76	1	-	77
Total	307	2	11	298

Three months ended March 28, 2010

	Beginning of Period	Opened	Closed	End of Period
Domestic:				
Buffet Units	151	2	1	152
Delco Units	39	1	3	37
Express Units	47	-	-	47
International Units	76	1	2	75
Total	313	4	6	311

Nine months ended March 27, 2011

	Beginning of Period	Opened	Closed	End of Period
Domestic:				
Buffet Units	151	5	12	144
Delco Units	35	2	5	32
Express Units	49	3	7	45
International Units	77	2	2	77
Total	312	12	26	298

Nine months ended March 28, 2010

	Beginning of Period	Opened	Closed	End of Period
Domestic:				
Buffet Units	152	5	5	152
Delco Units	38	4	5	37
Express Units	51	-	4	47
International Units	68	9	2	75
Total	309	18	16	311

Restaurants were closed typically because of unsatisfactory standards of operation or poor performance. Additionally, competition with respect to price, service, location, food quality, and greater brand recognition and financial resources can impact store closures. Competitors include a large number of international, national and regional restaurant and pizza chains, as well as local restaurants and pizza operators Within the pizza segment of the restaurant industry, we believe that our primary competitors are national pizza chains and several regional chains, including chains executing a “take and bake” concept. We also compete against the frozen pizza products available at grocery stores and large superstore retailers. A change in the pricing or other market strategies of one or more of our competitors could have an adverse impact on our sales and earnings.

We do not believe that these closings had any material impact on the collectibility of our outstanding receivables and royalties due to us because (i) these amounts have been reserved for or are otherwise collectable and (ii) these closed restaurants were generally lower volume restaurants whose financial impact on our business as a whole was not significant. For those restaurants that are anticipated to close or are exhibiting signs of financial distress, credit terms are typically restricted, weekly food orders are required to be paid for on delivery and/or with certified funds and payment of royalties are required prior to the delivery of weekly food orders.

Liquidity and Capital Resources

Our primary sources of liquidity are cash flows from operating activities and our credit facilities.

Cash flows from operating activities generally reflect net income adjusted for certain non-cash items including depreciation and amortization, changes in deferred tax assets, share based compensation, and changes in working capital. In the nine month period ended March 27, 2011, cash provided by operating activities was $0.9 million compared to cash provided by operating activities of $1.2 million in the comparable period for the prior year. This $0.3 million decrease in cash provided by operating activities was primarily due to a $0.8 million reduction from changes in operating assets and liabilities, partially offset by a $0.4 million increase in net income adjusted for non-cash items.

Cash flows from investing activities generally reflect capital expenditures for the purchase of Company assets. The Company used cash of $1.5 million for the nine month period ended March 27, 2011, primarily for new Company stores that opened in Fort Worth, Texas and Lewisville, Texas, as well as computer software. This compares to cash used by investing activities of $0.7 million during the same period in the prior fiscal year attributable to another store that opened in Fort Worth, Texas.

Cash flows from financing activities generally reflect changes in the Company's borrowings during the period. Net cash provided by financing activities was $0.6 million for the nine month period ended March 27, 2011 compared to net payments of $0.3 million for the comparable period in the prior fiscal year. This increase in cash provided by financing activities was due to increased net borrowings for two new Company stores.

Management believes that future operations will generate sufficient taxable income, along with the reversal of temporary differences, to fully realize the net deferred tax asset of $0.9 million without reliance on material non-routine income.

On January 11, 2010, the Company entered into a Loan Agreement with Amegy Bank National Association (“Amegy”) providing for a $2.0 million revolving credit facility (with a $250 thousand letter of credit subfacility) and a $1.0 million term loan facility. On January 10, 2011, the Company and Amegy entered into a First Amendment to Loan Agreement increasing the Company's term loan facility and amending certain other provisions of the Loan Agreement. As amended, the Amegy credit facility provides for a $2.0 million revolving credit facility (with a $250 thousand letter of credit subfacility) and a $2.56 million term loan facility.

The Company may borrow, repay and reborrow under the Amegy revolving credit facility through January 11, 2013, at which time all amounts outstanding under the revolving credit facility mature. Availability under the revolving credit facility is limited by advance rates on eligible inventory and accounts receivable. Interest on indebtedness from time to time outstanding under the revolving credit facility is computed at Amegy’s prime rate and is payable monthly. A quarterly commitment fee of 0.25% is payable on the average unused portion of the revolving credit facility.

Amegy has agreed to make term loans under the term facility through January 11, 2012. Advances for such term loans are limited by a percentage of the costs of equipment and leasehold improvements for new restaurant locations of the Company and may not be reborrowed after repayment. Interest only is payable monthly on each term loan for up to 120 days after the initial advance. Thereafter, each term loan is payable in 36 equal monthly installments of principal plus accrued interest. Interest on each term loan accrues at Amegy's prime rate plus 1% or, at the Company's option, a fixed rate determined by Amegy. A fee of 0.5% of the total term loan facility was paid at closing.

The obligations of the Company under the Loan Agreement are secured by a pledge of substantially all of the assets of the Company and its subsidiaries including, but not limited to, accounts receivable, inventory and equipment. The Loan Agreement contains various affirmative covenants which, among other things, require the Company to provide Amegy with certain financial statements, compliance statements, reports and other information. The Loan Agreement also contains various negative covenants which, among other things, require the Company to maintain certain financial ratios and restrict the ability of the Company to engage in certain activities. The Company is in compliance with all covenants as of the reporting date. If an event of default occurs under the Loan Agreement, Amegy may terminate all commitments under the credit facilities and declare all unpaid principal, interest and other amounts owing under the credit facilities to be immediately due and payable. As of March 27, 2011 the balance on the term loan facility was $0.9 million with an interest rate of 6% and the balance on the revolving credit facility was zero with an interest rate of 5%.

Management believes the cash on hand combined with cash from operations and available credit facilities is sufficient to fund operations for the next 12 months.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Company's management to make estimates and assumptions that affect our reported amounts of assets, liabilities, revenues, expenses and related disclosure of contingent liabilities. The Company bases its estimates on historical experience and various other assumptions that it believes are reasonable under the circumstances. Estimates and assumptions are reviewed periodically. Actual results could differ materially from estimates.

The Company believes the following critical accounting policies require estimates about the effect of matters that are inherently uncertain, are susceptible to change, and therefore require subjective judgments. Changes in the estimates and judgments could significantly impact the Company's results of operations and financial condition in future periods.

Accounts receivable consist primarily of receivables generated from food and supply sales to franchisees and franchise royalties. The Company records an allowance for doubtful receivables to allow for any amounts which may be uncollectible based upon an analysis of the Company's prior collection experience, general customer creditworthiness and the franchisee's ability to pay, as reflected by the franchisee's sales and operating results, and other general and local economic trends. Actual realization of accounts receivable could differ materially from the Company's estimates.

Inventory, which consists primarily of food, paper products and supplies primarily warehoused by the Company's third-party distributors, is stated at lower of cost or market, with cost determined according to the weighted average cost method. The valuation of inventory requires us to estimate the amount of obsolete and excess inventory. The determination of obsolete and excess inventory requires us to estimate the future demand for the Company's products within specific time horizons, generally six months or less. If the Company's demand forecast for specific products is greater than actual demand and the Company fails to reduce purchasing accordingly, the Company could be required to write down additional inventory, which would have a negative impact on the Company's gross margin.

As of June 24, 2007, the Company had recorded a valuation allowance based on its assessment that the realization of a portion of its net deferred tax assets did not meet the “more likely than not” criterion under the authoritative guidance on “*Accounting for Income Taxes*.” The entire valuation allowance was released in fiscal 2008. As a result, the effective tax rate for fiscal 2011 is estimated to be 34%.

The Company assesses its exposures to loss contingencies, including legal matters, based upon factors such as the current status of the cases and consultations with external counsel and accrues a reserve if a loss is judged to be probable and can be reasonably estimated. If the actual loss from a contingency differs from management’s estimate, operating results could be impacted.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not required for a smaller reporting company.

Item 4. Controls and Procedures

The Company maintains disclosure controls and procedures designed to ensure that information it is required to disclose in the reports filed or submitted under the Securities Exchange Act of 1934 (the “Exchange Act”) is recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms. The Company’s disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in the reports filed or submitted under the Exchange Act is accumulated and communicated to the Company’s management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

The Company’s management, including the Company’s principal executive officer and principal financial officer, or persons performing similar functions, have evaluated the Company’s disclosure controls and procedures as of the end of the period covered by this report. Based on such evaluation, the Company’s principal executive and principal financial officers, or persons performing similar functions, have concluded that the Company’s disclosure controls and procedures were effective as of the end of the period covered by this report. During the most recent fiscal quarter, there have been no changes in the Company’s internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Except as discussed in Note 3 to the consolidated financial statements included herein, there have been no material developments in the three month period ended March 27, 2011 in any material pending legal proceedings to which the Company or any of its subsidiaries is a party or of which any of their property is subject.

Item 1A. Risk Factors

Not required for a smaller reporting company.

Item 2. Unregistered Sales of Equity Securities and the Use of Proceeds

On May 23, 2007, the board of directors of the Company approved a stock purchase plan (the "2007 Stock Purchase Plan") authorizing the purchase of up to 1,016,000 shares of the Company's common stock in the open market or in privately negotiated transactions. On June 2, 2008, the Company's board of directors amended the 2007 Stock Purchase Plan to increase the number of shares the Company may repurchase by 1,000,000 shares to a total of 2,016,000 shares. On April 22, 2009, the board of directors further amended the 2007 Stock Purchase Plan by increasing the aggregate number of shares the Company may repurchase by 1,000,000 shares to a total of 3,016,000 shares. The 2007 Stock Purchase Plan does not have an expiration date. There were no stock purchases in the three months ending March 27, 2011. As of March 27, 2011, up to an additional 848,425 shares could be purchased under the 2007 Stock Purchase Plan.

Item 3. Defaults upon Senior Securities

Not applicable.

Item 4. (Removed and Reserved)

Item 5. Other Information

Not applicable.

Item 6. Exhibits

3.1 Restated Articles of Incorporation (filed as Item 3.2 to Form 10-K for the fiscal year ended June 25, 2006 filed on November 30, 2006 and incorporated herein by reference)

3.2 Amended and Restated Bylaws (filed as Item 3.1 to Form 10-K for the fiscal year ended June 25, 2006 and incorporated herein by reference)

10.1 First Amendment to Loan Agreement dated January 11, 2010, between Pizza Inn, Inc. and Amegy Bank National Association (incorporated by reference to Exhibit 10.1 to Form 8-K filed January 13, 2011).

31.1 Rule 13a-14(a)/15d-14(a) Certification of Principal Executive Officer.

31.2 Rule 13a-14(a)/15d-14(a) Certification of Principal Financial Officer.

32.1 Section 1350 Certification of Principal Executive Officer.

32.2 Section 1350 Certification of Principal Financial Officer.

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 thereunto duly authorized.

PIZZA INN, INC.
(Registrant)

By: /s/ Charles R. Morrison
Charles R. Morrison
President and Chief
Executive Officer
(Principal Executive Officer)

By: /s/ Nancy Ellefson
Nancy Ellefson
Vice President and Principal
Accounting Officer
(Principal Financial Officer)

Dated: May 10, 2011

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Charles R. Morrison, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Pizza Inn, Inc. ("the Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: May 10, 2011

By: /s/ Charles R. Morrison
Charles R. Morrison
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Nancy Ellefson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Pizza Inn, Inc. (“the Registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and

5. The Registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

Date: May 10, 2011

By: /s/ Nancy Ellefson
Nancy Ellefson
Vice President and Principal Accounting Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), the undersigned officer of Pizza Inn, Inc. (the “Company”), does hereby certify, to such officer’s knowledge, that:

The accompanying Quarterly Report on Form 10-Q for the quarter ended March 27, 2011 (the “Form 10-Q”) of the Company fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company as of, and for, the periods presented in the Form 10-Q.

Date: May 10, 2011

By: /s/ Charles R. Morrison
Charles R. Morrison
President and Chief
Executive Officer
(Principal Executive Officer)

The foregoing certification is being furnished as an exhibit to the Form 10-Q pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) and, accordingly, is not being filed as part of the Form 10-Q for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), the undersigned officer of Pizza Inn, Inc. (the “Company”), does hereby certify, to such officer’s knowledge, that:

> The accompanying Quarterly Report on Form 10-Q for the quarter ended March 27, 2011 (the “Form 10-Q”) of the Company fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company as of, and for, the periods presented in the Form 10-Q.

Date: May 10, 2011

By: /s/ Nancy Ellefson
Nancy Ellefson
Vice President and Principal Accounting Officer
(Principal Financial Officer)

The foregoing certification is being furnished as an exhibit to the Form 10-Q pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) and, accordingly, is not being filed as part of the Form 10-Q for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.