

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

PERKINS & MARIE CALLENDER'S INC.,¹ et al.,

Debtors.

Chapter 11

Case No. 11-11795 (KG)

Jointly Administered

Objection Deadline: July 5, 2011 at 4:00 p.m. (ET)

Hearing Date: July 12, 2011 at 10:00 a.m. (ET)

**DEBTORS' APPLICATION PURSUANT TO SECTIONS 327(a), 328 AND 329(a)
OF THE BANKRUPTCY CODE, FED.R.BANKR.P. 2014 AND 2016,
AND DEL.BANKR.L.R. 2014-1 AND 2016-1 FOR ENTRY
OF AN ORDER AUTHORIZING THE
RETENTION AND EMPLOYMENT OF TROUTMAN SANDERS LLP AS
COUNSEL FOR THE DEBTORS, *NUNC PRO TUNC* AS OF THE PETITION DATE**

Perkins & Marie Callender's Inc. (f/k/a The Restaurant Company) ("PMCI") and its above-captioned affiliated debtor entities (collectively, with PMCI, the "Debtors"), by and through their undersigned proposed counsel, respectfully submit this application (the "Application"), pursuant to Sections 327(a), 328 and 329(a) of title 11 of the United States Code, 11 U.S.C. § 101 et seq. (the "Bankruptcy Code"), Rules 2014 and 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Rules 2014-1 and 2016-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), for the entry of an order authorizing the retention and employment of Troutman Sanders LLP ("Troutman") as Debtors' bankruptcy counsel, *nunc pro tunc* as of the date of the filing of the Debtors' chapter 11 petitions. In support of this Application, the Debtors rely upon and incorporate by reference the "Declaration of Joseph F.

¹ The Debtors, together with the last four digits of each Debtor's federal tax identification number, are: Perkins & Marie Callender's Inc. (4388); Perkins & Marie Callender's Holding Inc. (3999); Perkins & Marie Callender's Realty LLC (N/A); Perkins Finance Corp. (0081); Wilshire Restaurant Group LLC (0938); PMCI Promotions LLC (7308); Marie Callender Pie Shops, Inc. (7414); Marie Callender Wholesalers, Inc. (1978); MACAL Investors, Inc. (4225); MCID, Inc. (2015); Wilshire Beverage, Inc. (5887); and FIV Corp. (3448). The mailing address for the Debtors is 6075 Poplar Avenue, Suite 800, Memphis, TN 38119.

Trungale in Support of Debtors' Chapter 11 Petitions and First Day Motions" heretofore filed herein, and the "Declaration" pursuant to Bankruptcy Rule 2014(a) of Mitchel H. Perkiel, a partner in Troutman, annexed hereto as Exhibit "A" hereof (the "Declaration"), and respectfully represent as follows:

Jurisdiction and Venue

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).
2. Venue of the above-captioned cases and this Application are proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409.
3. The statutory predicates for the relief requested herein are Sections 327(a), 328 and 329(a) of the Bankruptcy Code, Bankruptcy Rules 2014 and 2016, and Local Rules 2014-1 and 2016-1.

Factual Background

4. On June 13, 2011 (the "Petition Date"), each of the Debtors filed a voluntary petition (collectively, the "Petitions") for relief under chapter 11 of the Bankruptcy Code, and each thereby commenced chapter 11 cases (collectively, the "Chapter 11 Cases") in this Bankruptcy Court (the "Court"). No request has been made for the appointment of a trustee or examiner, and the Debtors continue to operate their businesses and manage their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On June 24, 2011, the Office of the United States Trustee for the District of Delaware (the "U.S. Trustee") appointed an Official Committee of Unsecured Creditors (the "Committee") in the Chapter 11 Cases.

A. The Debtors' Businesses

5. The Debtors are one of the leading operators of family-dining and casual-dining restaurants, under their two (2) highly-recognized brands: (i) their full-service family dining restaurants located primarily in the Midwest, Florida and Pennsylvania under the name "Perkins Restaurant and Bakery" ("Perkins"), and (ii) their mid-priced, full-service casual-dining restaurants, specializing in the sale of pies and other bakery items, located primarily in the western United States under the name "Marie Callender's Restaurant and Bakery" ("Marie Callender's").

6. Through the Debtors' Foxtail Foods bakery goods manufacturing operations ("Foxtail"), the Debtors offer pies, muffin batters, cookie dough, pancake mixes, and other food products for sale to both company-owned and franchised Perkins and Marie Callender's restaurants, and to unaffiliated customers, such as food service distributors and supermarkets, as well as on-line to the public. Foxtail operates one (1) manufacturing facility located in Corona, California, at which its produces pies and other bakery products primarily for the Marie Callender's restaurants, and two (2) facilities in Cincinnati, Ohio, at which it produces pies, pancake mixes, cookie dough, muffin batters and other baking products primarily for the Perkins restaurants and various third-party customers. Prior to that certain asset sale transaction with ConAgra Foods RDM, Inc. ("RDM") described below, the Debtors licensed to ConAgra Foods, Inc. TV a ConAgra, Inc.) and RDM (collectively, "ConAgra") the use of the registered name "Marie Callender's" in connection with the manufacture and distribution of various food products by ConAgra in various domestic and foreign markets pursuant to licensing/distribution agreements. Effective as of June 9, 2011, Marie Callender Pie Shops, Inc., one of the within Debtors ("MCPSI"), sold its ownership of its material "Marie Callender's" trademarks to RDM pursuant to a certain "Asset Purchase Agreement" dated as of June 9, 2011 (the "Trademark Sale").

Transaction”). Concomitantly, RDM and MCPSI entered into a certain “Trademark License Agreement”, dated as of June 9, 2011, pursuant to which the Debtors received a perpetual, royalty-free, world-wide license to use the applicable trademarks in connection with the Debtors’ restaurant operations and the sale of fresh bakery products.

7. As of April 17, 2011, the Debtors owned and operated one hundred sixty (160) Perkins restaurants located in thirteen (13) states, and franchised three hundred fourteen (314) Perkins restaurants located in thirty-one (31) states and five (5) Canadian provinces. Similarly, the Debtors owned and operated eighty-five (85) Marie Callender’s restaurants located in nine (9) states, and franchised thirty seven (37) Marie Callender’s restaurants located in four (4) states and Mexico.² Thus, the Debtors operate or franchise approximately six hundred (600) restaurants throughout the United States, Canada and Mexico.*

8. As of April 17, 2011, the Debtors employed approximately twelve thousand three hundred fifty (12,350) employees, consisting of approximately five thousand three hundred fifty (5,350) part-time employees and approximately seven thousand (7,000) full-time employees.*

9. The Debtors’ revenues for the year ended December 26, 2010 were approximately \$507 million.

B. Corporate Structure and Pre-Petition Capitalization

10. Perkins & Marie Callender’s Holding Inc. (f/k/a The Restaurant Holding Corporation) is a holding company that indirectly wholly owns PMCI. PMCI is the Debtors’

² Included therein, MCPSI operates two (2) “Callender’s Grill” restaurants in Los Angeles, California and a single “East Side Mario’s” restaurant in Lakewood, California.

* Immediately prior to the Petition Date, the Debtors initiated a store reduction program to discontinue approximately sixty-five (65) corporate-operated restaurant locations, which had the attendant effect of a contemplated reduction in workforce of approximately 2,500 people.

principal operating entity and the primary obligor on the Debtors' pre-Petition Date senior secured working capital facility and their secured and unsecured bond debt. PMCI directly or indirectly owns and operates the Debtors' restaurant operations, oversees the Debtors' franchised restaurant operations, and owns and operates its Foxtail business.

11. On September 24, 2008, PMCI issued \$132 million in aggregate principal amount of 14% Senior Secured Notes (the "Senior Secured Notes"), with a maturity date of May 31, 2013 and interest payable semi-annually on May 31 and November 30 of each year. Prior thereto, on September 21, 2005, PMCI issued \$190 million of 10% Senior Notes (the "Senior Notes"), with a maturity date of October 1, 2013 and interest payable semi-annually on April 1 and October 1 of each year. Concurrently with the issuance of the Senior Secured Notes, PMCI and PMC Holding entered into a Credit Agreement dated as of September 24, 2008 (as amended, the "Credit Agreement") with Wells Fargo Capital Finance, LLC (f/k/a Wells Fargo Foothill, LLC) as the lender and administrative agent (the "Credit Facility Agent"), consisting of a revolving credit facility in favor of PMCI, as borrower, of up to \$26,000,000, with a sub-limit of \$15,000,000 for the issuance of letters of credit (collectively, the "Credit Facility"). As of the Petition Date, approximately \$103,000,000 in aggregate principal amount of the Senior Secured Notes were outstanding, \$190,000,000 in aggregate principal amount of the Senior Notes were outstanding, and approximately \$10,060,000 in principal amount was outstanding under the Credit Facility (comprised solely of outstanding letters of credit).

12. Effective April 30, 2011, PMCI and various of the other Debtors entered into two (2) forbearance agreements (collectively, the "Forbearance Agreements"), one (1) with the holders of in excess of eighty (80%) percent in aggregate principal amount of the Senior Notes (the "Senior Note Forbearance Agreement"), and one (1) with the lender and Credit Facility Agent under the Credit Agreement.

13. In the weeks preceding the Petition Date, the Debtors and the aforesaid noteholders entered into a “Restructuring Support Agreement” dated as of June 6, 2011 (the “RSA”), designed to mutually and consensually develop and agree upon the parameters of a reorganization program for the Debtors that will, among other things, deliver the Debtors’ capital structure, and thereby establish a pre-filing blueprint for an efficient and effective chapter 11 reorganization process. In furtherance thereof, the Debtors have substantially developed the “Debtors’ Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code” and requisite accompanying “Disclosure Statement” pursuant to the Bankruptcy Code for near-term filing with this Court.

Relief Requested

14. By this Application, the Debtors request the entry of an order, pursuant to Sections 327(a), 328 and 329(a) of the Bankruptcy Code, Bankruptcy Rules 2014 and 2016, and Local Rules 2014-1 and 2016-1, authorizing and approving the retention and employment of Troutman as bankruptcy counsel for the Debtors in the Chapter 11 Cases pursuant to the terms set forth in that certain engagement letter dated February 1, 2011 between the Debtors and Troutman (the “Engagement Letter”), a copy of which is annexed hereto as Exhibit “C” hereof.

Basis For Relief Requested

15. Under Section 327(a) of the Bankruptcy Code, a debtor in possession is authorized to employ professional persons “that do not hold or represent an interest adverse to the estate, and that are disinterested persons,³ to represent or assist the [debtor in possession] in carrying out [its] duties under this title.” 11 U.S.C. § 327(a). (bracketed language provided).

³ Section 101(14) of the Bankruptcy Code defines the phrase “disinterested person” as: a person that (A) is not a creditor, an equity security holder, or an insider; (B) is not and was not, within 2 years before the date of the filing of the petition, a director, officer, or employee of the debtor; and (C) does not have an interest materially adverse to the interest of the estate or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the debtor, or for any other reason. 11 U.S.C. § 101(14).

Section 1107(b) of the Bankruptcy Code modifies Sections 101(14) and 327(a) of the Bankruptcy Code in cases under chapter 11 of the Bankruptcy Code, providing that “a person is not disqualified for employment under Section 327 of [the Bankruptcy Code] by a debtor in possession solely because of such person’s employment by or representation of the debtor before the commencement of the case.” 11 U.S.C. § 1107(b).

16. As required by Rule 2014(a) of the Bankruptcy Rules and Rule 2014-1 of the Local Bankruptcy Rules,⁴ this Application, and the accompanying Declaration, set forth: (a) the specific facts showing the necessity for Troutman’s employment; (b) the reasons for the Debtors’ selection of Troutman as their bankruptcy/restructuring counsel in connection with their Chapter 11 Cases; (c) the professional services to be provided by Troutman; (d) the arrangement between the Debtors and Troutman with respect to Troutman’s compensation (as well as the reasonableness thereof); and (e) to the best of the Debtors’ knowledge, the extent of Troutman’s connections, if any, to certain parties in interest in these matters.

A. Troutman’s Qualifications

17. Troutman is particularly well qualified to serve as the Debtors’ counsel in these Chapter 11 Cases. Founded in 1897, Troutman is an international law firm with over 650 attorneys serving clients throughout the world from offices in Atlanta, Chicago, Hong Kong, London, New York, Newark, Norfolk, Orange County, Raleigh, Richmond, San Diego,

⁴ Bankruptcy Rule 2014(a) provides that an application seeking the employment of professional persons pursuant to Section 327 of the Bankruptcy Code shall state the specific facts showing the necessity for the employment, the name of the person to be employed, the reasons for the selection, the professional services to be rendered, any proposed arrangement for compensation, and, to the best of the applicant’s knowledge, all of the person’s connections with the debtor, creditors, any other party in interest, their respective attorneys and accountants, the United States trustee, or any person employed in the office of the United States trustee. The application shall be accompanied by a verified statement of the person to be employed setting forth the person’s connections with the debtor, creditors, any other party in interest, their respective attorneys and accountants, the United States trustee, or any person employed in the office of the United States trustee. Local Bankruptcy Rule 2014-1 further provides that “an application for the employment of a professional person pursuant to §§ 327 and 328 of the Bankruptcy Code shall state the specific facts showing the reasonableness of the terms and conditions of the employment, including the terms of any retainer, hourly fee, or contingent fee arrangement.”

Shanghai, Tysons Corner, Virginia Beach and Washington, D.C. Troutman is recognized as an American Lawyer top 100 law firm (an “AMLAW 100”) and has experience in virtually all aspects of the law, having over fifty (50) dedicated practice areas. These include, among many others, bankruptcy, corporate, employee benefits, international, finance, complex litigation, intellectual property, labor and employment, mergers and acquisitions, real estate, franchise, securities and tax.

18. Troutman’s “Business Restructuring and Reorganization” practice group consists of approximately twenty four (24) attorneys practicing in various of its offices. Troutman’s restructuring lawyers have played significant roles in a wide array of Chapter 11 Cases, including those of Allied Holdings, Inc.; Allis-Chambers Corporation; American Pad & Paper LLC; Ameripol Synpol Corporation; Braniff Airways; Caldor Corporation; eLot, Inc.; Food Fair; Forum Group; Frost Bros., Inc.; G. Heileman Brewing Company; Hedstrom Holdings, Inc.; Jamesway Corporation; Johns-Manville Corporation; Korvettes, Inc.; Leaseway Transportation; LTV Corporation; Enron Corp.; M. Fabrikant & Sons, Inc.; Public Service Company of New Hampshire; Steak & Brew, Inc.; Taylor Bean & Whitaker Mortgage Corp.; Wolf Camera, Inc.; and Zapata Corp.

19. Troutman also is familiar with the Debtors’ businesses, having (a) represented the Debtors in a variety of discrete corporate, litigation and other matters over the last several years, and (b) assisted the Debtors with their pre-Petition Date restructuring efforts and, ultimately, their preparations to commence these Chapter 11 Cases. Through these various pre-petition activities, Troutman’s professionals have worked closely with the Debtors’ management, advisors and other professionals and, as a result, have become extraordinarily knowledgeable of the Debtors’ corporate history, debt structure, businesses and related matters. Accordingly, Troutman has developed a unique and expansive understanding and knowledge regarding the

Debtors that will contribute to and result in effective and efficient services in these Chapter 11 Cases.

B. Services to Be Provided by Troutman

20. The employment of Troutman as the Debtors' bankruptcy/restructuring counsel, pursuant to the terms of this Application and the Engagement Letter,⁵ is appropriate and necessary to enable the Debtors to execute faithfully their duties as debtors and debtors in possession and to attempt to implement a successful restructuring and reorganization of their business operations and financial affairs. The Engagement Letter describes (a) the various services that Troutman anticipated performing for the Debtors, both prior to and in these Chapter 11 Cases, and (b) the terms and conditions of Troutman's proposed engagement by the Debtors. The Debtors anticipate that Troutman will render general legal services to the Debtors as needed throughout the course of these Chapter 11 Cases, including bankruptcy, corporate, employee benefits, international, finance, complex litigation, intellectual property, labor and employment, mergers and acquisitions, real estate, franchise securities and tax advice. In particular, the Debtors anticipate that Troutman will perform, among others, the following legal services:

- (a) advising the Debtors of their rights, powers and duties as debtors and debtors in possession in continuing to operate and manage their respective businesses and properties under chapter 11 of the Bankruptcy Code;
- (b) preparing on behalf of the Debtors all necessary and appropriate applications, motions, proposed orders, other pleadings, notices, Schedules and other documents, and reviewing all financial and other reports to be filed in these Chapter 11 Cases;
- (c) advising the Debtors concerning, and preparing responses to, applications, motions, other pleadings, notices and other papers that may be filed by other parties in these Chapter 11 Cases;

⁵ Any references to, or summaries of, the Engagement Letter herein are qualified by the express terms of the Engagement Letter, which shall govern if there is any conflict between the Engagement Letter and the references provided herein.

- (d) advising the Debtors with respect to, and assisting in the negotiation and documentation of, financing agreements and related transactions;
- (e) advising the Debtors regarding their ability to initiate actions to collect and recover property for the benefit of their estates;
- (f) advising and assisting the Debtors in connection with any potential property dispositions;
- (g) advising the Debtors concerning executory contract and unexpired lease assumptions, assignments and rejections, and lease restructurings and recharacterizations;
- (h) advising the Debtors in connection with the formulation, negotiation and promulgation of a plan or plans of reorganization, and related transactional documents;
- (i) assisting the Debtors in reviewing, estimating and resolving claims asserted against the Debtors' estates;
- (j) commencing and conducting litigation necessary and appropriate to assert rights held by the Debtors, protect assets of the Debtors' chapter 11 estates or otherwise further all efforts at achieving the Debtors' successful reorganization;
- (k) providing non-bankruptcy multi-disciplinary legal services for the Debtors to the extent requested by the Debtors; and
- (l) performing all other necessary and appropriate legal services in connection with these Chapter 11 Cases for or on behalf of the Debtors.

21. The Debtors require knowledgeable and expert counsel to render these essential professional services. As noted above, Troutman has substantial expertise in all of these areas. Moreover, as also indicated above, Troutman has obtained valuable institutional knowledge of the Debtors' business and financial affairs as a result of its representation of the Debtors prior to the Petition Date. Accordingly, the Debtors respectfully submit that Troutman is uniquely well qualified to perform these services and represent the Debtors' interests in these Chapter 11 Cases.

C. Compensation and Fee Applications

22. Pursuant to the terms of the Engagement Letter, and subject to the Court's approval of this Application, Troutman intends to (a) charge for its legal services on an hourly basis in accordance with its ordinary and customary hourly rates in effect on the date services are rendered, and (b) seek reimbursement of actual and necessary out-of-pocket costs and expenses. The names, positions, resident offices and hourly rates of those Troutman lawyers currently expected to spend significant time on these Chapter 11 Cases are attached to the Declaration as Schedule "2" thereof. Troutman's hourly rates may change from time to time in accordance with Troutman's established billing practices and procedures. Troutman's hourly fees are comparable to those charged by attorneys of similar experience and expertise for engagements of scope and complexity similar to these Chapter 11 Cases and are, accordingly, reasonable.

23. Troutman will maintain detailed, contemporaneously-entered time and expense records in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules (i.e., time entries at increments of 1/10th of an hour), and any additional procedures that may be established by this Court in these Chapter 11 Cases. In addition, Troutman has agreed to accept as compensation and reimbursement of expenses such sums as may be ultimately allowed by this Court.

24. Troutman recognizes that interim and final fee awards are subject to approval by this Court. Troutman will seek approval of payment of compensation and reimbursement of costs and expenses during these Chapter 11 Cases upon Troutman's filing of appropriate applications for allowance of interim or final compensation pursuant to Sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, and any applicable orders of this Court.

25. As set forth in the attached Declaration, Troutman has not received or been promised any compensation for legal services rendered or to be rendered in any capacity in connection with the Debtors' Chapter 11 Cases, other than as permitted by the Bankruptcy Code, nor has Troutman agreed to share compensation received in connection with these Chapter 11 Cases with any other person, except as permitted by Section 504(b) of the Bankruptcy Code and Bankruptcy Rule 2016(b) in respect of the sharing of compensation among Troutman's partners.

D. Disclosure Concerning Disinterestedness

26. The Declaration discloses Troutman's "connections" to the Debtors and principal creditors and parties in interest in these Chapter 11 Cases, which is incorporated herein by reference. In reliance on the Declaration, and except as set forth therein, the Debtors believe that: (a) Troutman has no representational connection with the Debtors, their affiliates, their creditors, the United States Trustee for the District of Delaware (the "U.S. Trustee"), any person employed in the office of the U.S. Trustee, or any other party with an actual or potential interest in these Chapter 11 Cases or their respective attorneys or accountants; (b) Troutman is not a creditor, equity security holder or insider of the Debtors; (c) none of Troutman's partners, counsel or associates is, or was within two (2) years of the Petition Date, a director, officer or employee of the Debtors; and (d) Troutman neither holds nor represents an interest materially adverse to the interests of the Debtors, their respective estates or any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the Debtors, or for any other reason. Accordingly, the Debtors believe that Troutman is a "disinterested person" as defined in Section 101(14) of the Bankruptcy Code and as required by Section 327(a) of the Bankruptcy Code.

E. Pre-petition Professional Compensation

27. Prior to the Petition Date, and during the one (1) year preceding the Petition Date, the Debtors, utilizing their general corporate cash resources, paid to Troutman (a) for pre-petition services and out-of-pocket expenses rendered or incurred in connection with discrete commercial disputes and matters the aggregate amount of \$8,652.00; (b) for pre-petition services and out-of-pocket expenses rendered or incurred in connection with their trademark licensing relationships with ConAgra and the negotiation, documentation, consummation and implementation of the Trademark Sale Transaction the aggregate amount of \$321,012.00, (c) for pre-petition services and out-of-pocket expenses rendered or incurred in contemplation, preparation and initiation of, or otherwise in connection with, these Chapter 11 Cases the aggregate amount of \$1,128,954.00, and (d) a retainer, calculated as at the Petition Date (the "Retainer"), for post-petition services to be rendered and expenses to be incurred in connection with the commencement of the Chapter 11 Cases in the net amount of \$31,699.00 (collectively, the "Payments"). All of the Payments, as and when received in the ordinary course, were applied in the ordinary course to the then current amount due to Troutman for ongoing pre-petition services rendered and expenses incurred, or applied against subsequent invoices for pre-petition services thereafter rendered and expenses thereafter incurred; the unapplied remainder of said Payments (i.e., \$31,699.00) constitutes the general unapplied Retainer for post-petition services and expenses to be rendered and incurred.

28. The aforesaid Retainer, although relatively not substantial, is appropriate for several reasons in this case. First, these types of retainer agreements reflect normal business terms in the marketplace. See In re Insilco Technologies, Inc., 291 B.R. 628, 634 (Bankr.D.Del. 2003) ("the practice [of receiving security retainers] in this district has been engaged in since at least the early 1990's); see also Statements of Bankruptcy Judge Peter J. Walsh, In re CTC

Communications Group, Inc., Case No. 02-12873 (PJW) (Bankr. D. Del., Mar 22, 2003) (transcript of hearing at 43). Second, the parties have negotiated the retainer at arms' length. Third, the Retainer will allow for the post-Petition Date maintenance of the Debtors' pre-petition relationship with Troutman. Finally, though the Debtor's post-petition financing facility should be more than adequate and provides for certain "carve-outs" for professional fees, there is no assurance, albeit most theoretical and very remote, that same will be sufficient to pay the claims of all professionals, including Troutman. The Retainer secures some prospective fees and expenses for work to be performed in connection with the Chapter 11 Cases. Accordingly, as the Debtors' bankruptcy counsel, following the potentially remote exhaustion of the "carve-out", Troutman will still be required to perform services and incur expenses. Thus, under the standards articulated in the Insilco decision, the facts and circumstances of these Chapter 11 Cases support the maintenance of the security retainer.

NOTICE

29. No trustee or examiner has been appointed in these Chapter 11 Cases. Notice of this Application has been provided to: (a) the U.S. Trustee; (b) counsel to the Credit Facility Agent; (c) counsel to the Indenture Trustee under the Senior Secured Notes Indenture; (d) counsel to the Indenture Trustee under the Senior Notes Indenture; (e) counsel to the holders of the Senior Secured Notes; (f) counsel to the holders (holding in excess of eighty (80%)) of the Senior Notes; and (g) counsel to the Committee. Notice of this Application and any order entered hereon will be served in accordance with Local Rule 9013-1 (m). The Debtors submit that no other or further notice need be provided.

30. No prior request for the relief sought in this Application has been made to this or any other Court.

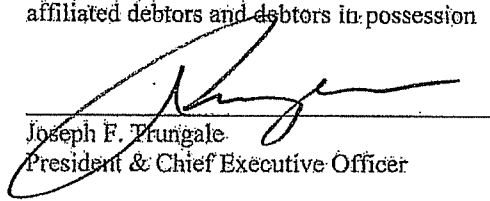
WHEREFORE, the Debtors respectfully request that this Court (a) enter an order substantially in the form attached hereto as Exhibit "D" hereof, granting the relief requested herein; and (b) granting such other and further relief to the Debtors as this Court may deem just and proper.

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Dated: June 24, 2011
Wilmington, Delaware

Respectfully submitted,

PERKINS & MARIE CALLENDER'S
INC., for and on behalf of itself and its
affiliated debtors and debtors in possession



Joseph F. Frutigale
President & Chief Executive Officer

EXHIBIT “A”

DECLARATION OF MITCHEL H. PERKIEL

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re: PERKINS & MARIE CALLENDER’S INC., ¹ et al., Debtors.	Chapter 11 Case No. 11-11795 (KG) Jointly Administered
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DECLARATION OF MITCHEL H. PERKIEL

STATE OF NEW YORK)
) ss:
COUNTY OF NEW YORK)

Pursuant to Rule 2014(a) of the Bankruptcy Rules, I, Mitchel H. Perkiel, hereby declare:

1. I am an attorney at law admitted and in good standing to practice in the States of New York, Connecticut and Utah, as well as before the (a) United States Court of Appeals for the Second Circuit, (b) United States District Court for the Southern District of New York, and (c) United States District Court for the Eastern District of New York.

2. I am a partner in the law firm of Troutman Sanders LLP (“Troutman”) and am duly authorized to make this “Declaration” on behalf of Troutman (the “Declaration”). I make

¹ The Debtors, together with the last four digits of each Debtor’s federal tax identification number, are: Perkins & Marie Callender’s Inc. (4388); Perkins & Marie Callender’s Holding Inc. (3999); Perkins & Marie Callender’s Realty LLC (N/A); Perkins Finance Corp. (0081); Wilshire Restaurant Group LLC (0938); PMCI Promotions LLC (7308); Marie Callender Pie Shops, Inc. (7414); Marie Callender Wholesalers, Inc. (1978); MACAL Investors, Inc. (4225); MCID, Inc. (2015); Wilshire Beverage, Inc. (5887); and FIV Corp. (3448). The mailing address for the Debtors is 6075 Poplar Avenue, Suite 800, Memphis, TN 38119.

this Declaration in support of the “Debtors’ Application Pursuant to Sections 327(a), 328 and 329(a) of the Bankruptcy Code, Bankruptcy Rules 2014 and 2016 and Local Bankruptcy Rule 2014-1 and 2016-1 for Entry of an Order Authorizing the Retention and Employment of Troutman Sanders LLP as Counsel for the Debtors, *Nunc Pro Tunc* as of the Petition Date” (the “Application”)². The facts set forth in this Declaration are personally known to me to the best of my knowledge or upon information and data assembled by Troutman personnel from Troutman’s books and records and provided to and reviewed by me, and if called as a witness, I could and would competently testify thereto.

A. Experience

3. Troutman is particularly well qualified to serve as the Debtors’ counsel in these Chapter 11 Cases. Founded in 1897, Troutman is an international law firm with over 650 attorneys serving clients throughout the world from offices in Atlanta, Chicago, Hong Kong, London, New York, Newark, Norfolk, Orange County, Raleigh, Richmond, San Diego, Shanghai, Tysons Corner, Virginia Beach and Washington, D.C. Troutman is recognized as an American Lawyer top 100 law firm (an “AMLAW 100”) and has experience in virtually all aspects of the law, having over fifty (50) dedicated practice areas. These include, among many others, bankruptcy, corporate, employee benefits, international, finance, complex litigation, intellectual property, labor and employment, mergers and acquisitions, real estate, franchise, securities and tax.

4. Troutman’s “Business Restructuring and Reorganization” practice group consists of approximately twenty four (24) attorneys practicing in various of its offices . Troutman’s restructuring lawyers have played significant roles in a wide array of Chapter 11 Cases,

² Capitalized terms not otherwise defined herein have the meanings set forth in the attached Application.

including those of Allied Holdings, Inc.; Allis-Chambers Corporation; American Pad & Paper LLC; Ameripol Synpol Corporation; Braniff Airways; Caldor Corporation; Food Fair; eLot, Inc.; Forum Group; Frost Bros., Inc.; G. Heileman Brewing Company; Hedstrom Holdings, Inc.; Jamesway Corporation; Johns-Manville Corporation; Korvettes, Inc.; Leaseway Transportation; LTV Corporation; Enron Corp.; M. Fabrikant & Sons, Inc.; Public Service Company of New Hampshire; Steak & Brew, Inc.; Taylor Bean Whitaker Mortgage Corp.; Wolf Camera, Inc.; and Zapata Corp.

5. Troutman also is familiar with the Debtors' businesses, having (a) represented the Debtors in a variety of discrete corporate, litigation and other matters over the last several years, and (b) assisted the Debtors with their pre-Petition Date restructuring efforts and, ultimately, their preparations for the commencement of these Chapter 11 Cases. Through these various pre-petition activities, Troutman's professionals have worked closely with the Debtors' management, advisors and other professionals and, as a result, have become extraordinarily knowledgeable of the Debtors' corporate history, capital and debt structure, businesses and related matters. Accordingly, Troutman has developed a unique and expansive understanding and knowledge regarding the Debtors that will contribute to and result in effective and efficient services in these Chapter 11 Cases.

6. Pursuant to the terms of the Engagement Letter, which is annexed to the Application as Exhibit "C" thereof (and consistent with the Debtors' pre-petition Corporate Resolutions), and subject to the Court's approval of the Application, Troutman intends to (a) charge for its legal services on an hourly basis in accordance with its ordinary and customary hourly rates in effect on the date services are rendered, and (b) seek reimbursement of actual and necessary out-of-pocket costs and expenses. The names, positions, resident offices and hourly rates of those Troutman lawyers currently expected to spend significant time on these Chapter 11

Cases are attached to this Declaration as Schedule “2” hereof. Troutman’s hourly rates may change from time to time in accordance with Troutman’s established billing practices and procedures. Troutman’s hourly fees are comparable to those charged by attorneys of similar experience and expertise for engagements of scope and complexity similar to these Chapter 11 Cases and are, accordingly, reasonable.

B. Terms

7. Troutman will maintain detailed, contemporaneous time records, and will apply to this Court for payment of compensation and reimbursement of expenses in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, (i.e., time entries at increments of 1/10th of an hour), the Local Bankruptcy Rules, and any additional procedures that may be established by this Court in these Chapter 11 Cases. In addition, Troutman has agreed to accept as compensation and reimbursement of expenses such sums as may be ultimately allowed by this Court. Troutman understands that interim and final fee awards are subject to approval by this Court.

8. Prior to the Petition Date, and during the one (1) year preceding the Petition Date, the Debtors, utilizing their general corporate cash resources, paid to Troutman (a) for pre-petition services and out-of-pocket expenses rendered or incurred in connection with discrete commercial disputes and matters the aggregate amount of \$8,652.00; (b) for pre-petition services and out-of-pocket expenses rendered or incurred in connection with their trademark licensing relationships with ConAgra and the negotiation, documentation, consummation and implementation of the Trademark Sale Transaction the aggregate amount of \$321,012.00, (c) for pre-petition services and out-of-pocket expenses rendered or incurred in contemplation, preparation and initiation of, or otherwise in connection with, these Chapter 11 Cases the aggregate amount of \$1,128,954.00, and (d) a retainer, calculated as at the Petition Date (the “Retainer”), for post-petition services to

be rendered and expenses to be incurred in connection with the commencement of the Chapter 11 Cases in the net amount of \$31,699.00 (collectively, the "Payments"). All of the Payments, as and when received in the ordinary course, were applied in the ordinary course to the then current amount due to Troutman for ongoing pre-petition services rendered and expenses incurred, or applied against subsequent invoices for pre-petition services thereafter rendered and expenses thereafter incurred; the unapplied remainder of said Payments (i.e., \$31,699.00) constitutes the general unapplied Retainer for post-petition services and expenses to be rendered and incurred.

9. Troutman, a national firm with over 650 attorneys, has in the past represented, may represent, or might in the future represent entities which are creditors of the Debtors in discrete matters wholly unrelated to the Debtors' Chapter 11 Cases. While few in number, Troutman presently has "connections" with the following parties, albeit in no way regarding the Chapter 11 Cases:

- (a) Prior to the Petition Date, Troutman has rendered legal services to the Debtors relating to certain discrete commercial disputes and matters, their licensing trademark relationships with ConAgra and the negotiation, documentation, consummation and implementation of the Trademark Sale Transaction, and in contemplation, representation and initiation of, or otherwise in connection with, these Chapter 11 Cases.
- (b) Prior to the Petition Date, Troutman worked with Young Conaway Stargatt & Taylor, LLP, proposed Delaware counsel for the Debtors; Whitby Santarlaschi & Company, proposed financial advisor for the Debtors; Akin Gump Strauss Hauer & Feld LLP, counsel for the noteholder parties to the RSA; and Paul, Hastings, Janofsky & Walker, LLP, counsel for Wells Fargo Capital Finance, LLC ("Wells Fargo"). Troutman has in the past also worked with or against these professional firms in connection with matters wholly unrelated to the Debtors or these Chapter 11 Cases.
- (c) Prior to the Petition Date, and presently, Troutman, which represents numerous national banking institutions in a variety of capacities not implicated by the Chapter 11 Cases, performed and performs, from time to time, various specific legal services for Wells Fargo, the Debtors' senior

secured working capital facility agent and lender, all of which services have been and continue to be wholly unrelated to the Debtors' Chapter 11 Cases and will be rendered by partners, counsel and associates not involved in Troutman's representation of the Debtors (with appropriate informational barricades);

- (d) Prior to the Petition Date, Troutman performed, and may be continuing to perform, from time to time, various discrete legal services for certain existing clients/creditors/potential creditors of the Debtors listed in Schedule "1" annexed hereto, all of which services have been and continue to be wholly unrelated to the Debtor's Chapter 11 Cases and will be rendered by partners, counsel and associates not involved in Troutman's representation of the Debtors (with appropriate informational barricades); and
- (e) Prior to the Petition Date (in most cases, well more than two (2) years before the Petition Date), Troutman (i) was retained by and performed services in 2007 to Baker & Taylor, Inc., a portfolio company owned by certain private equity funds under the management of Castle Harlan, Inc. ("CHI"), in connection with said company's Bankruptcy Code Section 363 acquisition of various assets of then chapter 11 debtor Advanced Marketing, Inc. in this Court, and (ii) occasionally (again, long before the Petition Date) provided discrete due diligence assistance (wholly unrelated to the Debtors) to CHI regarding the latter's possible acquisitions of "distressed" companies as well as provided limited advice regarding specific and discrete commercial, contractual or other matters, arising from time to time, with respect to a few of its portfolio companies (again, wholly unrelated to the Debtors).³

10. Troutman has obtained the written consent of Wells Fargo concerning providing for the waiver of any technical or hypothetical conflict that may exist and any potential adverse interest to Wells Fargo or the Debtors should there be any doubt regarding Troutman's affiliations. Troutman has likewise received from the Debtors the acknowledgment and waiver of any technical or hypothetical conflicts that may exist. Troutman does not represent the Debtor's equity sponsors (who are represented by the law firm of Schulte Roth & Zabel) or any

³ As set forth in the accompanying Declaration, at all times relevant herein, Schulte Roth & Zabel were and continue to be general counsel for CHI, and said law firm has already appeared in connection with any claims that CHI may have in the Chapter 11 Cases.

non-Debtor entities in the hierarchy of ultimate ownership or control of the Debtors, and will not represent any of the foregoing entities or their affiliates in any matter even remotely related to the Debtors.⁴ Needless to say, should an unexpected conflict arise, though none is anticipated, which might impact or impair Troutman's ability to provide, unfettered, all requisite services, Delaware bankruptcy counsel or conflicts' counsel will be called upon or employed for such discrete matter.

11. Moreover, as indicated in paragraph "9" hereinabove and Schedule 1 referenced therein, Troutman has specifically checked potential conflicts of interest in these Chapter 11 Cases in determining "connections" (as such term is used in Bankruptcy Rule 2014) to the Debtors, their creditors and other parties in interest. Prior to the Petition Date, Troutman reviewed its client database to determine whether it had any relationships with any party (a) identified on the Debtors' consolidated list of their approximately top two thousand (2000) accounts payable (as recently provided by the Debtors to Troutman), inclusive of those listed on the "Consolidated List of Creditors Holding Forty (40) Largest Unsecured Claims" appended to the Debtors' Chapter 11 petitions, and (b) having a significant interest or role in the Chapter 11 Cases (collectively, the "Connections"). To the extent that Troutman's research of its relationships with the Connections indicates that Troutman has recently represented, or currently represents, any of these entities in matters unrelated to these Chapter 11 Cases, the identities of these entities and such entities' relationship to the Debtors and connection to Troutman are set forth in Schedule "1" annexed hereto.

⁴ As a matter of note, pursuant to the RSA and "Term Sheet" annexed thereto, it is contemplated that all of the equity sponsor's equity interests in Perkins & Marie Callender's Holding, Inc. ("Holding") will be cancelled and extinguished, and the "reorganized" Holding shall issue new common stock (or membership interests), pro rata to Senior Notes holders and holders of general unsecured claims.

12. To the best of my knowledge and belief, insofar as I have been able to ascertain after reasonable inquiry, neither I, nor Troutman nor any partner or associate thereof, holds or represents an interest adverse to the Debtors or their respective estates, and Troutman is a “disinterested person,” as defined in Section 101(14) of the Bankruptcy Code and as required by Section 327(a) of the Bankruptcy Code, in that: (a) Troutman has no connection with the Debtors, their creditors, the U.S. Trustee, any person employed in the office of the U.S. Trustee or any other party with an actual or potential interest in these Chapter 11 Cases or their respective attorneys or accountants, except as set forth herein; (b) Troutman is not a creditor, equity security holder or insider of the Debtors; (c) neither Troutman nor any of Troutman’s partners, counsel or associates is or was not, within two (2) years of the Petition Date, a director, officer or employee of the Debtors; and (d) Troutman neither holds nor represents an interest materially adverse to the interests of the Debtors, their respective estates, or any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the Debtors, or for any other reason. Accordingly, I believe that Troutman is a “disinterested person” as defined in Section 101(14) of the Bankruptcy Code and as required by Section 327(a) of the Bankruptcy Code.

13. Despite the efforts described above to identify and disclose “connections” with parties in interest in these Chapter 11 Cases, because the Debtors constitute a large enterprise with thousands of creditors and other relationships, and because Troutman is an international firm with more than 650 attorneys in fifteen (15) offices, Troutman is unable to state with absolute certainty that every client representation or other connection of Troutman has been

identified and disclosed. In this regard, if Troutman discovers additional information that requires disclosure, Troutman will timely file supplemental disclosures with this Court.

Dated: June 24, 2011
New York, New York

/s/Mitchel H. Perkiel
Mitchel H. Perkiel, Esq.

SCHEDULE 1

CONNECTIONS

PRINCIPAL CREDITORS/PARTIES IN INTEREST IN
THE DEBTORS' CHAPTER 11 CASES
(CONSOLIDATED)

<u>PARTY</u>	<u>INTEREST</u>	<u>TROUTMAN SANDERS LLP CURRENT CONNECTIONS</u>
Wells Fargo Capital Finance, LLC	Pre-petition agent and lender/DIP agent and lender	Banking client (waivers obtained)
The Bank of New York Mellon Trust Company N.A.	Indenture Trustee (14% Senior Secured Notes)	Assisted Indenture Trustee in ION Media Networks, Inc. chapter 11 case
The Bank of New York Mellon	Collateral Agent (14% Senior Secured Notes)	Limited assistance to Indenture Trustee re: Georgia Medical Provider Financial Corporation in Georgia; limited assistance to Indenture Trustee in LandAmerica Financial Group, Inc. case; assistance to Indenture Trustee in miscellaneous discrete corporate trust and public finance matters
Wilmington Trust Company	Indenture Trustee (10% Senior Notes)	None
Wayzata Investment Partners (managing or advising various funds and accounts)	Holder of Senior Secured Notes and Senior Notes	None
Yong Conaway Stargatt & Taylor, LLP	Proposed Counsel to the Debtors	Co-Counsel for the Debtors
Whitby Santarlaschi & Company	Proposed financial advisor for the Debtors	Debtors' financial advisor
Akin Gump Strauss Hauer & Feld, LLP	Counsel for Wayzata Investment Partners	None
Paul Hastings Janofsky & Walker LLP	Counsel for Wells Fargo Capital Finance, LLC	None
Offices and Directors of the Debtors	Management of the Debtor entities	None (except in their respective capacities as such)

Roberta A. DeAngelis, U.S. Trustee for Region 3	U.S. Trustee	None
Richard Schepacarter	Assistant U.S. Trustee	None
Honorable Kevin Gross	U.S. Bankruptcy Judge	None
ACE Property & Casualty Insurance	Insurer	None
AON Risk Services Northeast, Inc.	Insurer	None
Great American Insurance Group	Insurer	Insurance company client
Great American Insurance Co.	Insurer	Insurance company client
ACE Fire Underwriters Insurance Co.	Insurer	None
Castle Harlan Partners III, L.P.; Castle Harlan Partners IV, L.P.; P&MC's Holding, LLC; P&MC's Holding Corp.; Castle Harlan, Inc. (funds manager)	Parties which collectively, directly or indirectly, own, control or hold, with power to vote, 5% or more of Perkins & Marie Callender's Holding, Inc.	None

**CLIENTS OF TROUTMAN SANDERS LLP
WHO MAY BE CREDITORS OF THE DEBTORS**

Against the back-drop of the Debtors having thousands of creditors, Troutman Sanders LLP has identified the following potential creditor “connections”, which specific relationships (and services) are wholly unrelated to the Debtors’ Chapter 11 Cases:

Kraft Foods Global, Inc.

Georgia Power Company

Lamar Advertising

Fleet Services and Installations, LLC

TWC Services, LLC

SCHEDULE 2

**TROUTMAN SANDERS LLP'S FIRMWIDE
RANGE OF HOURLY RATES**

AND

**NONEXCLUSIVE LIST OF
CERTAIN TROUTMAN SANDERS LLP'S PROFESSIONALS
AND THEIR HOURLY RATES**

TROUTMAN SANDERS LLP

Firmwide Range of Hourly Rates

JANUARY 2011

	<u>High</u>	<u>Low</u>
Partner.....	\$ 1,000	\$ 325
Of Counsel.....	\$ 600	\$ 325
Associate.....	\$ 525	\$ 215
Paralegal.....	\$ 290	\$ 135

**Non-Exclusive List of Certain Troutman Sanders LLP's
Professionals' Hourly Rates**

Mitchel H. Perkiel	Partner	New York	\$ 785
Hollace T. Cohen	Partner	New York	\$ 785
Mitchell P. Portnoy	Partner	New York	\$ 690
Timothy I. Kahler	Partner	New York	\$ 600
Mark A. Goldsmith	Partner	New York	\$ 795
Carolyn P. Richter	Partner	Atlanta	\$ 575
Karl M. Zielaznicki	Of Counsel	New York	\$ 600
Brett D. Goodman	Associate	New York	\$ 350
Bracha Hedaya	Associate	New York	\$ 250
Harriet E. Cohen	Paralegal	New York	\$ 265

Range of Rates for Local & National Rates

June 2011



FIRM	High	Low
Partner	1,000	325
Of Counsel	600	310
Associate	525	215
Paralegal	290	135
FIRM*	High	Low
Partner	825	325
Of Counsel	600	310
Associate	500	215
Paralegal	290	135

Office Location	High	Low	Office Location	High	Low
Atlanta			Washington DC		
Partner	825	400	Partner	810	400
Of Counsel	600	340	Of Counsel	550	425
Associate	490	225	Associate	475	235
Paralegal	290	135	Paralegal	205	170
Richmond			Tysons Corner		
Partner	725	325	Partner	600	460
Of Counsel	550	310	Of Counsel	500	425
Associate	500	225	Associate	470	250
Paralegal	265	170	Paralegal	250	180
Hampton Roads			Raleigh		
Partner	630	415	Partner	625	375
Of Counsel	525	400	Of Counsel	465	395
Associate	460	215	Associate	420	250
Paralegal	205	140	Paralegal	215	145
New York			Chicago		
Partner	1,000	450	Partner	625	500
Of Counsel	600	475	Of Counsel	450	425
Associate	525	250	Associate	340	235
Paralegal	265	195	Paralegal	170	170
Newark			Portland		
Of Counsel	475	475	Partner	655	495
Orange County			Of Counsel	480	396
Partner	660	350	Associate	425	235
Of Counsel	450	340	Shanghai		
Associate	500	225	Partner	775	610
Paralegal	255	160	Associate	450	350
San Diego			Hong Kong		
Partner	600	425	Partner	900	600
Of Counsel	550	425	Of Counsel	550	500
Associate	395	235	Associate	500	285
Paralegal	185	170			

* Excludes New York City, Hong Kong, Shanghai and London

EXHIBIT "B"

RULE 2016 STATEMENT

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

PERKINS & MARIE CALLENDER'S INC.,¹ et al.,

Debtors.

Chapter 11

Case No. 11-11795 (KG)

Jointly Administered

**STATEMENT OF TROUTMAN SANDERS, LLP
UNDER RULE 2016 OF THE FEDERAL RULES OF BANKRUPTCY
PROCEDURE AND SECTION 329 OF THE BANKRUPTCY CODE**

1. Troutman Sanders LLP ("Troutman"), pursuant to Rule 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), Rule 2016-1 of the Local Rules of Bankruptcy Practice and Procedure for the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), and section 329 of title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code"), states that the undersigned is bankruptcy counsel for the above-captioned debtors and debtors in possession (collectively, the "Debtors") in their chapter 11 cases (collectively, the "Chapter 11 Cases").

2. Compensation agreed to be paid by the Debtors to Troutman is to be for legal services rendered in connection with these Chapter 11 Cases. The Debtors have agreed to pay Troutman for the legal services rendered or to be rendered on the Debtors' behalf in connection with these Chapter 11 Cases by Troutman's various attorneys and paralegals. The

¹ The Debtors, together with the last four digits of each Debtor's federal tax identification number, are: Perkins & Marie Callender's Inc. (4388); Perkins & Marie Callender's Holding Inc. (3999); Perkins & Marie Callender's Realty LLC (N/A); Perkins Finance Corp. (0081); Wilshire Restaurant Group LLC (0938); PMCI Promotions LLC (7308); Marie Callender Pie Shops, Inc. (7414); Marie Callender Wholesalers, Inc. (1978); MACAL Investors, Inc. (4225); MCID, Inc. (2015); Wilshire Beverage, Inc. (5887); and FIV Corp. (3448). The mailing address for the Debtors is 6075 Poplar Avenue, Suite 800, Memphis, TN 38119.

Debtors have also agreed to reimburse Troutman for its actual, necessary expenses and other charges incurred by Troutman in connection with these Chapter 11 Cases.

3. Troutman was retained by the Debtors pursuant to an engagement agreement dated February 1, 2011 (the "Engagement Letter"). Payments were received by Troutman pursuant to the Engagement Letter in connection with primarily the pre-petition services regarding the negotiation, documentation, consummation and implementation of the Trademark Sale Transaction, the contemplation, preparation, documentation and implementation, or otherwise in connection with, the Chapter 11 Cases, and the Troutman's proposed post-petition representation of the Debtors. Such payments were applied to the current invoices, including fees and expenses associated with the filing of these Chapter 11 Cases.

4. Prior to the Petition Date, and during the one (1) year preceding the Petition Date, the Debtors, utilizing their general corporate cash resources, paid to Troutman (a) for pre-petition services and out-of-pocket expenses rendered or incurred in connection with discrete commenced disputes and matters the aggregate amount of \$8,652.00; (b) for pre-petition services and out-of-pocket expenses rendered or incurred in connection with their trademark licensing relationships with ConAgra and the negotiation, documentation, consummation and implementation of the Trademark Sale Transaction the aggregate amount of \$321,012.00, (c) for pre-petition services and out-of-pocket expenses rendered or incurred in contemplation, preparation and initiation of, or otherwise in connection with, these Chapter 11 Cases the aggregate amount of \$1,128,954.00, and (d) a retainer, calculated as at the Petition Date (the "Retainer") for post-petition services to be rendered and expenses to be incurred in connection with the commencement of the Chapter 11 Cases in the net amount of \$31,699.00 (collectively, the "Payments"). All of the Payments, as and when received in the ordinary course, were

applied in the ordinary course to the then current amount due to Troutman for ongoing pre-petition services rendered and expenses incurred, or applied against subsequent invoices for pre-petition services thereafter rendered and expenses thereafter incurred; the unapplied remainder of said Payments (i.e., \$31,699.00) constitutes the general unapplied Retainer for post-petition services and expenses to be rendered and incurred.

5. Troutman intends to seek Court approval of its compensation and reimbursement of its actual, necessary expenses and other charges incurred by Troutman in connection with these Chapter 11 Cases upon the filing of appropriate applications for interim and final compensation and reimbursement pursuant to sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules.

6. The chapter 11 petition filing fees in these Chapter 11 Cases have been paid in full.

7. The services to be rendered by Troutman in connection with these Chapter 11 Cases include all those services as set forth in the “Debtors’ Application Pursuant to Section 327(a), 328 and 329(a) of the Bankruptcy Code, FED. R. BANKR.P. 2014 and 2016, and DEL. BANKR.L.R. 2014-1 and 2016-1 for Entry of an Order Authorizing the Retention and Employment of Troutman Sanders, LLP as Counsel for the Debtors, *Nunc Pro Tunc* as of the Petition Date (the “Application”).²

8. Troutman further states that it has not shared, or agreed to share, (a) any compensation it has received or may receive with another party or person, other than with the

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Application.

partners, counsel and associates of Troutman, or (b) any compensation another person or party has received or may receive.

Dated: June 24, 2011
Wilmington, DE

TROUTMAN SANDERS, LLP

By: /s/Mitchel H. Perkiel
Mitchel H. Perkiel
Brett D. Goodman
The Chrysler Building
405 Lexington Avenue
New York, NY 10174
Telephone: (212) 704-6000
Facsimile: (212) 704-5915

*Proposed Counsel to the Debtors
and Debtors in Possession*

EXHIBIT "C"

ENGAGEMENT LETTER

MITCHEL H. PERKIEL
212 704.8010 telephone
212 704.5915 facsimile
mitchel.perkiel@troutmansanders.com
Admitted in CT, NY, NJ

TROUTMAN SANDERS

TROUTMAN SANDERS LLP
Attorneys at Law
The Chrysler Building
405 Lexington Avenue
New York, New York 10174-0790
212 704.6000 telephone
212 704.0200 facsimile
troutmansanders.com

February 1, 2011

Perkins & Marie Callender's Inc.
6075 Perkins Avenue, Suite 800
Memphis, TN 38119

Attn.: Mr. Jay Trungale, CEO

Re: Troutman Sanders LLP's Representation of P&MC's Holding LLC
f/k/a TRC Holding LLC, P&MC's Real Estate Holding LLC,
P&MC's Holding Corp. f/k/a TRC Holding Corp., Perkins & Marie
Callender's Holding Inc. f/k/a The Restaurant Holding Corporation,
Perkins & Marie Callender's Inc., and subsidiary entities
(collectively, "Perkins & Marie Callender's" or the "Client")

Dear Jay:

This will confirm our agreement for the provision of legal services by Troutman Sanders LLP (the "Firm") to Perkins & Marie Callender's, and to secure your approval of the terms of our engagement. We are pleased you have chosen the Firm and would be pleased to discuss any questions you may have about our relationship.

Scope of Representation

Perkins & Marie Callender's has engaged the Firm to provide legal services in connection with the Client's efforts to refinance/restructure/recapitalize and, if necessary, initiate pre-negotiated, pre-packaged or conventional chapter 11 reorganization proceedings (hereinafter, the "Engagement"). As part of that representation, the Firm agrees to provide the Client with counsel on all aspects of the desired Engagement, including in the areas of corporate, finance, corporate and

ATLANTA CHICAGO HONG KONG LONDON NEW YORK NEWARK NORFOLK ORANGE COUNTY
RALEIGH RICHMOND SAN DIEGO SHANGHAI TYSONS CORNER VIRGINIA BEACH WASHINGTON, DC
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SANDERS

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debtor/creditor law and bankruptcy law. Such representation will include participation in strategic meetings and negotiations with certain constituencies, the preparation, negotiation and revision of documentation required to consummate the proposed transaction(s), the prosecution of any needed judicial proceedings, and the pursuit of such matter(s) to conclusion. You may limit or expand the scope of our Engagement and representation at any time, provided that any expansion is by mutual consent.

Payment Provision

Our fees will be charged on a tenth of an hour basis for all time actually expended and will be billed monthly. The hourly rates assigned to the attorneys in our firm will vary according to the level of experience and expertise of the attorney. My current rate is \$785.00 per hour. We also employ other attorneys, including contract attorneys, whose rates range from \$250.00 per hour to more than \$1,000.00 per hour, and paralegals, including contract paralegals, whose time is currently billed at rates from \$195.00 to \$265.00 per hour. Hourly rates are reviewed and, when appropriate, adjusted to reflect increases in seniority and experience as well as economic factors. Such increases are ordinarily made on an annual basis, effective as of the beginning of each calendar year, though they may occur at other times. We normally do not send any notice of a change in hourly rates.

Although I, together with my partners Hollace Cohen, Esq. and Lee W. Stremba, Esq., will be the attorneys for our Firm principally involved in representing Perkins & Marie Callender's in the Engagement, it may be necessary or preferable to use other attorneys in the Firm from time to time. We will at all times perform our work in a cost-effective manner while providing our high level of service to you.

Perkins & Marie Callender's will be responsible for payment of costs incurred on its behalf and invoiced to the Firm by third parties, such as airlines, hotels, restaurants and caterers, outside courier services, outside copying services, court reporters, consultants and experts, courts and governmental offices, access to specialized computer service providers, and computer research such as Lexis/Nexis™ and Westlaw®. Costs billed to the Firm by parties who supply goods or services related to our work on your behalf will be billed to you at the

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actual out-of-pocket cost that the Firm pays to the third party on your behalf. We will use our best professional judgment in determining when to seek your permission prior to incurring expenses with third parties. Where authorized third-party services for Perkins & Marie Callender's are charged at substantial amounts, we will pass the invoice to you to pay the vendor directly.

We will bill you on a monthly basis for both fees and disbursements with the understanding that our invoices will be paid in full promptly following receipt. Unless otherwise agreed, our billing statements will contain an itemized description of the services rendered and costs invoiced to us during the time period covered by the statement.

Please review our bills carefully when rendered. You agree that all questions and disputes will be brought to our attention promptly so that they can be addressed and resolved to our mutual satisfaction. Billing mistakes may occur on occasion, and we will be pleased to correct any that you might identify. Please feel free to discuss with me any questions regarding our statements.

We have agreed that you will provide the Firm following the execution of this letter with an advance payment in the amount of \$150,000, to be applied against legal fees and disbursements to be incurred and as a retainer which shall serve as security for payment. We will bill against that advance, which will need to be replenished in response to our invoices. At the conclusion of our representation, we will return to you the unused balance of the advance. Interest will not accumulate for you on the advance.

Arbitration

In the event that a dispute arises between us relating to our fees, you may have the right to arbitration of the dispute pursuant to Part 137 of the Rules of the Chief Administrator of the New York Courts, a copy of which will be provided to you upon request.

Conflict Provision

Our Firm's policies and applicable professional rules of conduct concerning conflicts of interest are designed to protect the confidences, rights and interests of our clients, while permitting the Firm to advise and represent many different

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people and organizations. In order to assure that you and the Firm have the same understanding of the effects of our engagement concerning potential conflicts of interest, we include below relevant considerations and understandings. Our Firm is a large one with offices in more than one location, and we represent many other companies and individuals, some of whom we have represented for many years in connection with a wide variety of matters. As with your engagement of the Firm in this matter, our ongoing relationships with those clients are important to us and to them.

Under Canon Five of the New York Lawyer's Code of Professional Responsibility, a lawyer may not represent two clients adverse to each other in the same matter, and as a general rule, may not represent two clients in the same matter or in related matters if the clients have differing interests. However, a lawyer may represent two clients adverse to each other in unrelated matters, or two clients with differing interests in the same matter or in related matters, if: (1) the lawyer reasonably believes that the representation will not adversely affect the relationship with the either client; (2) the lawyer's professional judgment will not be affected by the representations, and (3) each client consents after consultation.

Based on our review and discussion with you, we have identified that the Firm represents Wells Fargo Bank in matters wholly unrelated to the Engagement, and will obtain from said client a "conflicts waiver". We believe that the subject matter of this Engagement does not create adversity to any other client or matter, nor is its subject matter related to any engagement by any current client. You have indicated that you agree with our assessment.

Under the applicable ethical rules, you have agreed with our conclusion that our representation of Perkins & Marie Callender's and professional judgment will not be affected by such adversity and that you have given your consent to our continued representation of Wells Fargo Bank in those other matters. Additionally, we have taken the precaution of establishing an informational screen between the Engagement for Perkins & Marie Callender's and our engagements in those other matters by internally instructing that our lawyers, paralegals and staff who have information in those matters are shielded from access to confidential information in this Engagement, and vice versa.

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In an effort to avoid undue limitations upon our services to you and our other clients, we request that you give consent to our representation of other clients who may, in the future, have interests that differ from your interests or are adverse to your interests in unrelated matters. For example, it is possible that some of our present or future clients will engage in transactions with Perkins & Marie Callender's during the course of this Engagement. We make this request with the understanding that you have an opportunity to consult counsel on this matter.

By its authorized signature below, Perkins & Marie Callender's confirms its agreement that Perkins & Marie Callender's will not preclude the Firm from representation of an existing or new client of the Firm, if: (a) the engagement for the other client is not substantially related to the subject matter of services the Firm is providing to you at the time, and (b) performance of the new engagement would not impair the confidentiality of information the Firm receives from you. This prospective consent shall not apply in any instance where, as a result of our representation of you, we have obtained proprietary or other confidential information of a non-public nature, that, if known to such other client, could be used in any such other matter by such client to your material disadvantage, unless we have screened our lawyers, paralegals and staff who have such information from any knowledge of such information in that adverse representation. In addition, notwithstanding the foregoing, without your prior consent the Firm will not represent another party in a litigation or similar proceeding directly adverse to you while you are a client of the Firm.

We recognize that the terms of this section concerning conflict matters presents important issues that Perkins & Marie Callender's should not decide without due deliberation. In that regard, you may want to consult independent counsel in connection with this matter.

Termination Of Engagement

Upon our completion of the services for which Perkins & Marie Callender's has engaged us, our attorney-client relationship will be terminated. If you should thereafter engage us to perform further or additional services, our attorney-client relationship will be revived, subject to these and any supplemental terms of Engagement. Further, either of us may terminate the Engagement at any time for any reason by written notice, subject on our part to applicable Rules of

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Professional Conduct. In the event that we terminate the engagement, we will take such steps as are reasonably practicable to protect your interests in the above matter. If permission for withdrawal is required by a court, we will promptly apply for such permission, and you agree to engage successor counsel to represent you.

You are engaging the Firm to provide legal services in connection with a specific matter. After completion of the matter, changes may occur in the applicable laws or regulations that could have an impact on your future rights and liabilities. Unless you engage us after completion of the matter to provide additional advice on issues arising from the matter, the Firm has no continuing obligation to advise you with respect to future legal developments. Further, the fact that we may inform you from time to time of developments in the law which may be of interest to you, by newsletter or otherwise, should not be understood as a revival of an attorney-client relationship. Moreover, we have no obligation to inform you of such developments in the law unless we are engaged in writing to do so.

Unless previously concluded, our representation of Perkins & Marie Callender's in connection with the Engagement will terminate upon our sending you our final statement for services rendered in connection with the Engagement. Except to the extent other arrangements are specifically made for this matter, our document retention practice will be as follows: We will retain your papers and property provided to us until termination of the Engagement. Following termination of the Engagement, we will return those of your papers and property which you may request. With respect to all other material, including documents and data created by us and received from others, we reserve the right to retain or dispose of such material as we determine appropriate.

Acceptance

This letter constitutes the entire understanding between you and the Firm with respect to the Engagement and supersedes all prior understandings, written or oral, as to the Engagement. It is made under the applicable law and professional rules of the State of New York. Any change must be made or confirmed in writing. If this letter correctly reflects Perkins & Marie Callender's understanding of the terms and conditions of the Engagement, we request that you have an appropriate authorized officer of Perkins & Marie Callender's indicate its consent

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February 1, 2011
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by having the duplicate originals of this letter executed in the space provided below. You should retain one of these duplicate originals for your records and return the other to me for our records.

We look forward to working with you. I hope that you will let me know if at any time you feel that the service we are rendering, or the manner or promptness with which we are responding to your requests for service, can be improved. On behalf of the Firm, I want to thank you for the opportunity to serve Perkins & Marie Callender's.

Very truly yours,

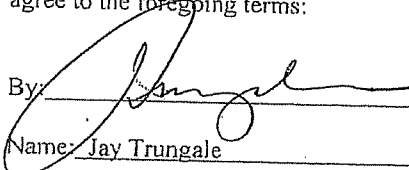
TROUTMAN SANDERS LLP

By: _____


Mitchel H. Perkiel, Esq.

P&MC's Holding LLC f/k/a TRC Holding LLC, P&MC's
Real Estate Holding LLC, P&MC's Holding Corp. f/k/a TRC
Holding Corp., Perkins & Marie Callender's Holding Inc. f/k/a
The Restaurant Holding Corporation, Perkins & Marie
Callender's Inc. and subsidiary entities hereby
agree to the foregoing terms:

By: _____


Name: Jay Trungale

Title: Chief Executive Officer

Date: February , 2011

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435-649-7668

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cc: Troutman Sanders Central Records

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WIRE TRANSFER INSTRUCTIONS

Wachovia Bank

171 17th Street, NW
Atlanta, Georgia
ABA #061000227
To Credit Troutman Sanders LLP Operating
Account #2052700305792
Reference Attorney: Mitchel H. Perkiel
Reference Client: Perkins & Marie Callender's

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