

Exhibit "E"

Operating Account Control Agreement

(With Activation)

DEPOSIT ACCOUNT CONTROL AGREEMENT
(Operating Account)

This Agreement is entered into as of December 31, 2004, among PICCADILLY RESTAURANTS, LLC, a Delaware limited liability company ("Company"), WELLS FARGO FOOTHILL, INC., as administrative agent for First Lien Secured Parties (as defined below) (together with its successors and assigns, "First Lien Agent"), WELLS FARGO FOOTHILL, INC., as administrative agent for Second Lien Secured Parties (as defined below) (together with its successors and assigns, "Second Lien Agent," and together with First Lien Agent, "Agents"), and HIBERNIA NATIONAL BANK ("Bank") with respect to the following:

A. Bank has agreed to establish and maintain for Company, deposit account number [REDACTED] 9467 (the "Account").

B. Pursuant to the terms and conditions of one or more security agreements, Company has granted or will grant to certain secured parties ("First Lien Secured Parties") represented therein by First Lien Agent a security interest in and lien on, among other things, all of Company's right title and interest in and to the Account and all funds and other property, including checks and other payment instructions ("Checks") from time to time held therein or credited thereto (collectively, the "Collateral").

C. Pursuant to the terms and conditions of one or more security agreements, Company has granted or will grant to certain secured parties ("Second Lien Secured Parties") represented therein by Second Lien Agent a security interest in and lien on, among other things, the Collateral.

D. Company, Agents and Bank are entering into this Agreement with the intent to perfect the above-mentioned security interest in the Collateral, and to provide for the disposition of net proceeds of Checks deposited in the Account.

Accordingly, Company, each Administrative Agent and Bank agree as follows:

1. (a) This Agreement evidences each Agent's control over the Account. Notwithstanding anything to the contrary in the agreement between Bank and Company governing the Account, Bank will, subject to the provisions in Section 2, comply with instructions originated by Agents directing the disposition of funds in the Account without further consent of Company or any other person; provided, however, that the foregoing provision shall not be deemed to modify any separate agreements between Company and Agents regarding when Agents will provide such instructions.

(b) Company represents and warrants to each Agent and Bank that it has not assigned or granted a security interest in the Account except to Agents. Bank represents and warrants that Company is its sole customer with respect to the Account.

(c) Except as otherwise permitted by each of the parties hereto in writing, Company will not permit the Account to become subject to any other pledge, assignment, lien, charge or encumbrance of any kind, other than Agents' security interest referred to herein or as permitted under Section 11(c).

(d) Bank covenants and agrees that it shall not change the name or account number of the Account without the prior written consent of Agents.

(e) Each of the parties hereto acknowledges and agrees that the Account is intended to be a deposit account (as defined in Section 9-102(a)(29) of the UCC (as defined below).

2. During the Activation Period (as defined below), Bank shall prevent Company from making any withdrawals from, or otherwise directing the dispositions of funds in, the Account. Prior to the Activation Period, Company may operate and transact business through the Account in its normal fashion, including making withdrawals from the Account, but covenants to Agents that it will not close the Account. Bank shall have no liability in the event Company breaches this covenant to Agents. Following the commencement of the Activation Period, and continuing on each Business Day thereafter, Bank shall comply with Notice Agent's (as defined below) instructions with respect to the Account without further consent by Company or any other person; provided, however, that with respect to any initial instructions of Notice Agent directing the transfer of funds out of the Account, Bank shall have a reasonable period not to exceed one (1) Business Day to implement such transfer. The "Activation Period" means the period which commences within a reasonable period of time not to exceed one (1) Business Day after Bank's receipt of a written notice from Notice Agent in the form of Exhibit A or Exhibit B, as applicable (each, a "Notice"). A "Business Day" is each day except Saturdays, Sundays and Bank holidays in Baton Rouge, Louisiana. Funds are not available if, in the reasonable determination of Bank, they are subject to a hold, dispute or legal process preventing their withdrawal. "Notice Agent" means (x) First Lien Agent at all times prior to the date on which a Notice of Termination is received by Bank from First Lien Agent pursuant to Section 11(c), and (y) subject to Section 11(c), Second Lien Agent at all times thereafter. For the avoidance of doubt, there shall at all times be only one Notice Agent. During the Activation Period, if Company gives any instructions with respect to the Account and such instructions conflict with instructions of Notice Agent, Bank shall comply with the instructions issued by such Notice Agent. Agents hereby acknowledge that First Lien Agent is acting as agent for Second Lien Agent for the purpose of perfecting Second Lien Agent's security interest in the Account.

3. Notwithstanding anything herein which may be construed to the contrary, the control over the Account provided to Agents hereunder shall be in effect regardless of whether the Account is characterized as a "deposit account" under Section 9-102 of the UCC (as defined below) or "securities account" under Section 8-501 of the UCC. If the Account is characterized as a "securities account", Bank and Company agree that (i) all assets credited to the Account shall be treated as "financial assets" within the meaning of Section 8-102(a)(9) of the UCC, (ii) all securities or other property underlying any financial assets credited to the Account shall be registered in the name of Bank, indorsed in blank or credited to another securities account maintained in the name of Bank, (iii) in no case will any financial asset credited to the Account be registered in the name of Company, payable to the order of Company or specially

indorsed to Company except to the extent the foregoing have been specially indorsed to Bank or in blank, (iv) Bank will comply with entitlement orders originated by Notice Agent concerning the Account without further consent by Company; provided, however, that the foregoing provision shall not be deemed to modify any separate agreements between Company and Agents regarding when Agents will provide such entitlement orders, and (v) after the commencement of any Activation Period, Bank shall not comply with any entitlement order or other instructions of Company with respect to the Account and shall rely solely on entitlement orders with respect to the Account or other instructions regarding the disposition of financial assets in the Account of Notice Agent without further consent of Company. Bank hereby agrees to comply with all instructions/entitlement orders issued by First Lien Agent without further consent of Company or any other person. Bank hereby further agrees to comply with all instructions/entitlement orders issued by Second Lien Agent without further consent of Company; provided, however, that until such time as First Lien Agent shall have delivered a Notice of Termination pursuant to Section 11(c), Bank will not comply with any instructions/entitlement orders issued by Second Lien Agent unless First Lien Agent gives written consent thereto. Notwithstanding the foregoing, prior to compliance with any such instructions, Bank shall be entitled to exercise any rights it may have pursuant to, and to the extent set forth in, this Agreement to charge the Account for any Returned Items or other amounts that Bank is specifically permitted to charge to the Account.

4. Bank agrees it shall not offset, charge, deduct or otherwise withdraw funds from the Account, except as permitted by Section 5, until it has received a Notice of Termination from each Agent pursuant to Section 11(c).

5. Bank is permitted to charge the Account:

(a) for its fees and charges relating to the Account as existing and in effect on the date of the charge or associated with this Agreement; and

(b) in the event any item deposited into the Account is returned unpaid for any reason ("Returned Item").

Money and other items credited to the Account will not be subject to deduction, set-off, banker's lien, or any other right in favor of any person other than Agents (except Bank may set off items specified above in this Section 5). If Bank has or subsequently obtains by agreement, operation of law, or otherwise a security interest in the Account or any funds credited thereto, Bank agrees that such security interest shall be subordinate to the security interest of each Agent.

6. (a) If the balance in the Account is not sufficient to compensate Bank for any fees or charges due Bank in connection with the Account or this Agreement, Company agrees to pay Bank on demand the amount due Bank. Company will have breached this Agreement if it has not paid Bank, within five Business Days after such demand, the amount due Bank.

(b) If the balance in the Account is not sufficient to compensate Bank for any Returned Item, Company agrees to pay Bank on demand the amount due Bank. If Company fails to so pay Bank immediately upon demand during the Activation Period, Notice Agent agrees to pay Bank within ten (10) Business Days after receipt of Bank's written demand to Notice Agent

to pay any amount received by Notice Agent with respect to such Returned Item. The failure to so pay Bank shall constitute a breach of this Agreement.

(c) Company hereby authorizes Bank, without prior notice, from time to time to debit any other account Company may have, except account number [REDACTED] 9999 (the "Blocked Account"), with Bank for the amount or amounts due Bank under subsection 6(a) or 6(b).

7. In addition to the original Bank statement provided to Company, Bank will provide each Agent with a duplicate of such statement.

8. (a) Bank will not be liable to Company or either Agent for any expense, claim, loss, damage or cost ("Damages") arising out of or relating to its performance under this Agreement other than those Damages which result directly from its acts or omissions constituting negligence or intentional misconduct.

(b) In no event will Bank be liable for any special, indirect, exemplary or consequential damages, including but not limited to lost profits.

(c) Bank will be excused from failing to act or delay in acting, and no such failure or delay shall constitute a breach of this Agreement or otherwise give rise to any liability of Bank, if (i) such failure or delay is caused by circumstances beyond Bank's reasonable control, including but not limited to legal constraint, emergency conditions, action or inaction of governmental, civil or military authority, fire, strike, lockout or other labor dispute, war, riot, theft, flood, earthquake or other natural disaster, breakdown of public or private or common carrier communications or transmission facilities, equipment failure, or negligence or default of Company or either Agent or (ii) such failure or delay resulted from Bank's reasonable belief that the action would have violated any guideline, rule or regulation of any governmental authority.

(d) Bank shall have no duty to inquire or determine whether Company's obligations to Agents are in default or whether Notice Agent is entitled to provide Notice to Bank. Bank may rely on notices and communications it believes in good faith to be genuine and given by the appropriate party.

(e) In the event that Bank is served with a court order which affects the Account, Bank will act in accordance with such court order. Until a court order is received by Bank, whether such order is issued by the Bankruptcy Court or any other court of competent jurisdiction, Bank shall not have the right nor will it place a hold on funds in, or in the process of being deposited to, the Account and will process funds in strict accordance with the terms and conditions of this Agreement. Each Agent represents, warrants, and agrees that upon the filing of voluntary or involuntary proceedings under the Bankruptcy Code involving Company, Agents shall at all times comply with applicable bankruptcy statutes, rules, and other laws as they may relate to funds deposited to the Account.

9. Company shall indemnify Bank against, and hold it harmless from, any and all liabilities, claims, costs, expenses and damages of any nature (including but not limited to reasonable allocated costs of staff counsel, other reasonable attorney's fees and any fees and expenses) in any way arising out of or relating to disputes or legal actions concerning Bank's

provision of the services described in this Agreement. This section does not apply to any cost or damage attributable to the gross negligence or intentional misconduct of Bank. Company's obligations under this section shall survive termination of this Agreement.

10. Company shall pay to Bank, upon receipt of Bank's invoice, all costs, expenses and reasonable attorneys' fees (including reasonable allocated costs for in-house legal services) incurred by Bank in connection with the enforcement of this Agreement and any instrument or agreement required hereunder, including but not limited to any such costs, expenses and fees arising out of the resolution of any conflict, dispute, motion regarding entitlement to rights or rights of action, or other action to enforce Bank's rights in a case arising under Title 11, United States Code. Company agrees to pay Bank, upon receipt of Bank's invoice, all costs, expenses and reasonable attorneys' fees (including reasonable allocated costs for in-house legal services) incurred by Bank in the preparation and administration of this Agreement (including any amendments hereto or instruments or agreements required hereunder).

11. Termination and Assignment of this Agreement shall be as follows:

(a) Either Agent may assign this Agreement (in each case, only as applied to such Agent) upon 30 days' prior written notice to Company, the other Agent (if any), and Bank. Bank may terminate this Agreement upon 30 days' prior written notice to Company and each Agent (or if a Notice of Termination has been delivered, the remaining Agent). Company may not terminate this Agreement except with the written consent of each Agent (or if a Notice of Termination has been delivered, the remaining Agent) and upon prior written notice to Bank.

(b) Notwithstanding subsection 11(a), (i) Bank may terminate this Agreement at any time upon seven (7) Business Days' written notice to Company and each Agent (or if a Notice of Termination has been delivered, the remaining Agent) if Company breaches any of the terms of this Agreement and (ii) Bank may terminate this Agreement with respect to such Agent that breaches any of the terms of this Agreement at any time by written notice to Company and each Agent (or if a Notice of Termination has been delivered, the remaining Agent).

(c) This Agreement shall terminate with respect to First Lien Agent, but shall remain in effect with respect to Company, Second Lien Agent and Bank, upon receipt by Bank (with a copy to Second Lien Agent) of a written notice substantially in the form of Exhibit C hereto (a "Notice of Termination") signed by First Lien Agent; provided, however, if the Company enters into any credit facility to refinance or replace the credit facility for which a Notice of Termination has been delivered by the First Lien Agent, upon delivery of written notice of such new facility to the Bank by the Company and the new lender or agent (the "New Agent") and acknowledged by Second Lien Agent, the New Agent shall thereafter be the First Lien Agent under this agreement for all purposes and all references in the other sections of this agreement to "Notice of Termination" by First Lien Agent shall mean and refer to a Notice of Termination by the New Agent. This Agreement shall terminate with respect to Second Lien Agent, but shall remain in effect with respect to Company, First Lien Agent and Bank, upon receipt by Bank (with a copy to First Lien Agent) of a Notice of Termination signed by Second Lien Agent. The termination of this Agreement shall not terminate the Account or alter the obligations of Bank to Company pursuant to any other agreement with respect to the Account.

12. Each of Bank, Agent and Company represents and warrants to the other parties that (i) this Agreement constitutes its duly authorized, legal, valid, binding and enforceable obligation; (ii) the performance of its obligations under this Agreement and the consummation of the transactions contemplated hereunder will not (A) constitute or result in a breach of its certificate or articles of incorporation, by-laws or partnership agreement, as applicable, or the provisions of any material contract to which it is a party or by which it is bound or (B) result in the violation of any law, regulation, judgment, decree or governmental order applicable to it; and (iii) all approvals and authorizations required to permit the execution, delivery, performance and consummation of this Agreement and the transactions contemplated hereunder have been obtained.

13. (a) This Agreement may be amended only by a writing signed by Company, each Agent (or if a Notice of Termination has been delivered, the remaining Administrative Agent), and Bank.

(b) This Agreement may be executed in counterparts; all such counterparts shall constitute but one and the same agreement. Delivery of an executed counterpart of this Agreement by telefacsimile shall be equally as effective as delivery of an original executed counterpart of this Agreement.

(c) With respect to the Account, this Agreement controls in the event of any conflict between this Agreement and any other document or written or oral statement. This Agreement shall take effect immediately upon its execution by all parties hereto and supersedes all prior understandings, writings, proposals, representations and communications, oral or written, of any party relating to the subject matter hereof.

(d) This Agreement shall be interpreted in accordance with the internal laws of the State of Louisiana. Regardless of any provision in any other agreement, solely for purposes of this Agreement and the UCC, Louisiana shall be deemed to be Bank's jurisdiction (within the meaning of Section 9-304 of the UCC). "UCC" means the Uniform Commercial Code as in effect from time to time in the State of Louisiana.

14. Any written notice or other written communication to be given under this Agreement shall be addressed to each party at its address set forth on the signature page of this Agreement or to such other address as a party may specify in writing. Except as otherwise expressly provided herein, any such notice shall be effective upon receipt.

15. Nothing contained in the Agreement shall create any agency, fiduciary, joint venture or partnership relationship between Bank and Company or either Agent.

16. Notwithstanding anything to the contrary contained herein, in no event shall Bank be required to transfer or allow withdrawal of amounts representing uncollected funds in the Account. Bank is only obligated to transfer or allow withdrawal of any such amounts in the Account upon, and to the extent of, the availability and collection thereof as of the beginning of the Business Day on which the transfer or withdrawal occurs, as reasonably determined by Bank after deducting the amount of any Returned Item.

17. This Agreement amends and restates in its entirety that certain Deposit Account Control Agreement dated as of May 10, 2004 among Company, First Lien Agent, Second Lien Administrative Agent and Bank.

[signature page follows]

In Witness Whereof, the parties hereto have executed this Agreement by their duly authorized officers as of the day and year first above written.

PICCADILLY RESTAURANTS, LLC
("Company")

Address for notices:

9130 W. Sunset Boulevard
Los Angeles, California 90069
Attn: Robert Deenough
Facsimile: 310 759 1791

By: Piccadilly Investments, LLC, a Delaware limited liability company, its Managing Member

By: [Signature]
Name: Robert P. Deenough
Title: Vice President & Profit Sec

WELLS FARGO FOOTHILL, INC.
("First Lien Agent")

Address for notices:

2450 Colorado Avenue
Suite 3000 W
Santa Monica, California 90404
Attn: Specialty Finance Manager
Facsimile: (310) 453-7442

By: _____
Name: _____
Title: _____

WELLS FARGO FOOTHILL, INC.
("Second Lien Agent")

Address for notices:

2450 Colorado Avenue
Suite 3000 W
Santa Monica, California 90404
Attn: Specialty Finance Manager
Facsimile: (310) 453-7442

By: _____
Name: _____
Title: _____

HIBERNIA NATIONAL BANK
("Bank")

Address for notices:

440 Third Street
Baton Rouge, Louisiana 70801
Attn: Janet Rack
Tel: 225-381-2140
Fax: 225-381-2339

By: _____
Name: _____
Title: _____

In Witness Whereof, the parties hereto have executed this Agreement by their duly authorized officers as of the day and year first above written.

PICCADILLY RESTAURANTS, LLC
("Company")

By: Piccadilly Investments, LLC, a Delaware limited liability company, its Managing Member

By: _____
Name: _____
Title: _____

Address for notices:

9130 W. Sunset Boulevard
Los Angeles, California 90069
Attn: _____
Facsimile: _____

WELLS FARGO FOOTHILL, INC.
("First Lien Agent")

By: *Violeta Kambanis*
Name: *Violeta Kambanis*
Title: *AVP*

WELLS FARGO FOOTHILL, INC.
("Second Lien Agent")

By: *Violeta Kambanis*
Name: *Violeta Kambanis*
Title: *AVP*

Address for notices:

2450 Colorado Avenue
Suite 3000 W
Santa Monica, California 90404
Attn: Specialty Finance Manager
Facsimile: (310) 453-7442

Address for notices:

2450 Colorado Avenue
Suite 3000 W
Santa Monica, California 90404
Attn: Specialty Finance Manager
Facsimile: (310) 453-7442

HIBERNIA NATIONAL BANK
("Bank")

By: _____
Name: _____
Title: _____

Address for notices:

440 Third Street
Baton Rouge, Louisiana 70801
Attn: Janet Rack
Tel: 225-381-2140
Fax: 225-381-2339

In Witness Whereof, the parties hereto have executed this Agreement by their duly authorized officers as of the day and year first above written.

PICCADILLY RESTAURANTS, LLC
("Company")

Address for notices:

9130 W. Sunset Boulevard
Los Angeles, California 90069
Attn: _____
Facsimile: _____

By: Piccadilly Investments, LLC, a Delaware
limited liability company, its Managing
Member

By: _____
Name: _____
Title: _____

WELLS FARGO FOOTHILL, INC.
("First Lien Agent")

Address for notices:

2450 Colorado Avenue
Suite 3000 W
Santa Monica, California 90404
Attn: Specialty Finance Manager
Facsimile: (310) 453-7442

By: _____
Name: _____
Title: _____

WELLS FARGO FOOTHILL, INC.
("Second Lien Agent")

Address for notices:

2450 Colorado Avenue
Suite 3000 W
Santa Monica, California 90404
Attn: Specialty Finance Manager
Facsimile: (310) 453-7442

By: _____
Name: _____
Title: _____

HIBERNIA NATIONAL BANK
("Bank")

Address for notices:

440 Third Street
Baton Rouge, Louisiana 70801
Attn: Janet Rack
Tel: 225-381-2140
Fax: 225-381-~~2339~~ 2003

By: Janet Olson Rack
Name: Janet Olson Rack
Title: Senior Vice President

EXHIBIT A
DEPOSIT ACCOUNT CONTROL AGREEMENT

[Letterhead of First Lien Agent]

To: _____
[Address]

Re: Account No. _____

Ladies and Gentlemen:

Reference is made to the Deposit Account Control Agreement dated _____, 2004 (the "Agreement") among us and you regarding the above-described account (the "Account"). In accordance with Section 2 of the Agreement, as Notice Agent we hereby give you notice of our exercise of control of the Account. You are hereby instructed not to accept any direction, instructions or entitlement orders with respect to the Account from any person other than the undersigned, unless otherwise ordered by a court of competent jurisdiction.

Very truly yours,

as First Lien Agent

By: _____

Name: _____

Title: _____

cc:

EXHIBIT B
DEPOSIT ACCOUNT CONTROL AGREEMENT

[Letterhead of Second Lien Agent]

To: _____
[Address]

Re: Account No. _____

Ladies and Gentlemen:

Reference is made to the Deposit Account Control Agreement dated _____, 2004 (the "Agreement") among, us and you regarding the above-described account (the "Account"). In accordance with Section 2 of the Agreement, and pursuant to your receipt of a Notice of Termination (in the form of Exhibit C to the Agreement) from First Lien Agent, as Notice Agent we hereby give you notice of our exercise of control of the Account. You are hereby instructed not to accept any direction, instructions or entitlement orders with respect to the Account from any person other than the undersigned, unless otherwise ordered by a court of competent jurisdiction.

Very truly yours,

as Second Lien Agent

By: _____
Name: _____
Title: _____

cc:

EXHIBIT C
DEPOSIT ACCOUNT CONTROL AGREEMENT

[Letterhead of applicable Agent]

To: _____
[Address]

Re:

Ladies and Gentlemen:

Reference is made to the Deposit Account Control Agreement dated _____, 2004 (the "Agreement") among us and you regarding the above-described account (the "Account"). You are hereby notified that the Agreement is terminated with respect to the undersigned, and you have no further obligations to the undersigned thereunder. **[If the Deposit Account Control Agreement is being terminated as to all parties, add: Notwithstanding any previous instructions to you, you are hereby instructed to accept all future directions with respect to the Collateral from Company.]** This notice terminates any obligations you may have to the undersigned with respect to the Collateral; *however*, nothing contained in this notice shall alter any obligations that you may otherwise owe to Company pursuant to any other agreement. The Agreement shall remain in effect until you are in receipt of notices in the form of this Exhibit C from both First Lien Agent and Second Lien Agent.

Very truly yours,

as [First Lien/Second Lien] Agent

By: _____

Name: _____

Title: _____

cc: