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CHEFS INTERNATIONAL INC  
Form 10QSB  
June 09, 2004

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 10-QSB

(Mark One)

( X ) QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For the quarterly period ended APRIL 25, 2004

OR

( ) TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE EXCHANGE ACT

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 0-8513

CHEFS INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

DELAWARE

22-2058515

-----  
(State or other jurisdiction of  
incorporation or organization)

-----  
(IRS Employer Identification No.)

62 BROADWAY, POINT PLEASANT BEACH, NJ 08742  
(Address of principal executive offices)

(Registrant's telephone number, including area code) (732) 295-0350  
-----

-----  
(Former name, former address and former fiscal year, if changed since last  
report.)

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

APPLICABLE ONLY TO CORPORATE ISSUERS: Indicate the number of shares  
outstanding of each of the issuer's classes of common stock, as of the latest  
practicable date:

CLASS	OUTSTANDING SHARES AT MAY 14, 2004
-----	-----
Common Stock, \$.01 par value	3,926,126

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CHEFS INTERNATIONAL, INC.

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CHEFS INTERNATIONAL, INC. AND SUBSIDIARIES

PART I - FINANCIAL INFORMATION

ITEM I - CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS

ASSETS

APRIL 25, 2004  
-----  
(Unaudited)

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CURRENT ASSETS:	
Cash and cash equivalents	\$ 1,473,289
Available-for-sale securities	2,337,300
Miscellaneous receivables	74,749
Receivable - related party	40,000
Inventories	1,315,459
Deferred income taxes	596,000
Prepaid expenses and other	173,147
	-----
TOTAL CURRENT ASSETS	6,009,944
	-----
PROPERTY AND EQUIPMENT, at cost	20,226,521
Less: Accumulated depreciation	8,983,548
	-----
PROPERTY AND EQUIPMENT, net	11,242,973
	-----
OTHER ASSETS:	
Asset held for sale	50,181
Receivable - related party	28,523
Liquor Licenses	839,732
Non-Compete agreement	36,824
Equity in life insurance policies	641,024
Deferred income taxes	370,000
Other	180,320
	-----
TOTAL OTHER ASSETS	2,146,604
	-----
	\$19,399,521
	=====

The accompanying notes are an integral part of these financial statements.

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CHEFS INTERNATIONAL, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (CONTINUED)

LIABILITIES AND STOCKHOLDERS' EQUITY

-----

APRIL 25, 2004

-----

(Unaudited)

CURRENT LIABILITIES:

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Notes and mortgages payable, current maturities	\$ 267,683
Accounts payable	870,539
Accrued payroll	157,176
Accrued expenses	611,371
Gift certificates	390,556
	-----
TOTAL CURRENT LIABILITIES	2,297,325
	-----
NOTES AND MORTGAGES PAYABLE	1,656,223
	-----
OTHER LIABILITIES:	
Accrued retirement	587,802
Interest rate swap agreements	115,861
	-----
OTHER LIABILITIES	703,663
	-----
STOCKHOLDERS' EQUITY:	
Capital stock - common \$.01 par value,	
Authorized 15,000,000 shares,	
Issued and outstanding 3,926,126	39,261
Additional paid-in capital	31,488,831
Accumulated deficit	(16,685,228)
Accumulated other comprehensive (loss) income	(100,554)
	-----
TOTAL STOCKHOLDERS' EQUITY	14,742,310
	-----
	\$19,399,521
	=====

The accompanying notes are an integral part of these financial statements.

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CHEFS INTERNATIONAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

THREE MONTHS ENDED APRIL 25, 2004 AND APRIL 27, 2003 (Unaudited)

	2004
	----
SALES	\$ 5,852,466
COST OF GOODS SOLD	1,866,338
	-----

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GROSS PROFIT	3,986,128
	-----
OPERATING EXPENSES:	
Payroll and related expenses	1,772,525
Other operating expenses	1,291,838
Depreciation and amortization	271,759
General and administrative expenses	452,592
	-----
TOTAL OPERATING EXPENSES	3,788,714
	-----
INCOME (LOSS) FROM OPERATIONS	197,414
	-----
OTHER INCOME (EXPENSE):	
Interest expense	(37,533)
Investment income	35,904
	-----
OTHER (EXPENSE), NET	(1,629)
	-----
INCOME (LOSS) BEFORE INCOME TAXES	195,785
PROVISION (CREDIT) FOR INCOME TAXES	66,000
	-----
NET INCOME (LOSS)	\$ 129,785
	=====
BASIC AND DILUTED INCOME (LOSS) PER COMMON SHARE	\$ .03
	=====
Weighted average number of shares outstanding	3,926,126
	=====

The accompanying notes are an integral part of these financial statements.

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CHEFS INTERNATIONAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

THREE MONTHS ENDED APRIL 25, 2004 AND APRIL 27, 2003 (Unaudited)

	2004
	----
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net income (loss)	\$ 129,785
Adjustments to reconcile net income (loss) to net	

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cash provided by operating activities:	
Depreciation and amortization	271,759
Deferred income taxes	58,000
Loss on sale of investments	5,640
Changes in assets and liabilities:	
(Increase) decrease in:	
Miscellaneous receivables	14,327
Inventories	(75,405)
Prepaid expenses	24,829
Increase (decrease) in:	
Accounts payable	47,949
Accrued expenses and other liabilities	(4,138)
	-----
NET CASH PROVIDED BY OPERATING ACTIVITIES	472,746
	-----
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of property and equipment	(149,804)
Closing of restaurant	(120,000)
Sale or redemption of investments	649,397
Purchase of investments	(711,753)
Other	(41,664)
	-----
NET CASH (USED IN) INVESTING ACTIVITIES	(373,824)
	-----
CASH FLOWS FROM FINANCING ACTIVITIES:	
Repayment of debt	(36,532)
Purchase and retirement of treasury stock	---
	-----
NET CASH (USED IN) FINANCING ACTIVITIES	(36,532)
	-----
NET INCREASE IN CASH AND CASH EQUIVALENTS	62,390
CASH AND CASH EQUIVALENTS:	
Beginning	1,410,899
	-----
Ending	\$ 1,473,289
	=====
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:	
Cash payment for:	
Interest	\$ 37,564
	=====
Noncash Transactions:	
(Decrease) increase in fair value of securities available for sale	\$ (154,506)
	=====
Change in fair value of derivatives accounted for as hedges	\$ 33,741
	=====

The accompanying notes are an integral part of these financial statements.

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## CHEFS INTERNATIONAL, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

#### NOTE 1: BASIS OF PRESENTATION

The accompanying financial statements have been prepared by Chefs International, Inc. (the "Company") and are unaudited. In the opinion of the Company's management, all adjustments (consisting solely of normal recurring adjustments) necessary to present fairly the Company's consolidated financial position, results of operations and cash flows for the periods presented have been made. Certain information and footnote disclosures required under generally accepted accounting principles have been condensed or omitted from the consolidated financial statements pursuant to the rules and regulations of the SEC. The consolidated financial statements and notes thereto should be read in conjunction with the Company's audited consolidated financial statements for the year ended January 25, 2004 and notes thereto included in the Company's Annual Report on Form 10-KSB filed with the SEC. The results of operations and the cash flows for the three month period ended April 25, 2004 presented in the consolidated financial statements are not necessarily indicative of the results to be expected for any other interim period or the entire fiscal year.

#### NOTE 2: EARNINGS PER SHARE

Basic earnings per share is computed using the weighted average number of shares of common stock outstanding during the period. There are no common stock equivalents.

#### NOTE 3: INVENTORIES

Inventories consist of the following:	APRIL 25, 2004	JANUARY 25, 2004
Food	\$ 712,186	\$ 644,547
Beverages	152,091	149,243
Supplies	451,182	446,264
	-----	-----
	\$ 1,315,459	\$ 1,240,054
	=====	=====

#### NOTE 4: INCOME TAXES

At April 25, 2004, the Company had net deferred tax assets of approximately \$966,000 arising principally from net operating loss carryforwards. Management has determined that it is more likely than not that future taxable income will be sufficient to utilize the net operating loss carryforwards. Therefore, no allowance has been established to offset these assets.

#### NOTE 5: DEPRECIATION AND AMORTIZATION

The Company depreciates its property and equipment using the straight-line method over the estimated useful lives of the assets, ranging from three to forty years.

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### NOTE 6: RESTAURANT CLOSINGS

In June 2003 the Company closed one of its Mexican theme restaurants. In connection with the closing, the Company wrote off leasehold improvements and other equipment of \$230,024 and entered into a

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Surrender Agreement with the restaurant's landlord which required the Company to pay \$180,000, of which \$60,000 was paid during the second quarter ended July 27, 2003. The remaining balance of \$120,000 was paid during the first quarter ended April 25, 2004.

Additionally, the Company granted the landlord an option to purchase the closed restaurant's liquor license. The landlord declined to exercise the right to purchase the liquor license and subsequent to the quarter ended April 25, 2004, the Company entered into an agreement with an unaffiliated buyer to sell the license for approximately \$675,000 pending government approval of the license transfer. The closing is expected to take place during calendar 2004.

Subsequent to the year ended January 25, 2004, the Company entered into a contract to sell the restaurant and property located in Jensen Beach, Florida. Pursuant to the terms of the contract, the restaurant was sold on May 3, 2004 for \$900,000 with the Company recognizing a gain of approximately \$390,000 which will be recorded during the second quarter ended July 25, 2004.

### NOTE 7: HEDGING INSTRUMENTS

The Company has interest rate swap agreements relating to a portion of its variable rate debt. The interest rate swap agreements are designated as cash flow hedges and are reflected at fair value in the consolidated balance sheet and the related losses on these contracts are deferred in stockholders' equity as a component of accumulated other comprehensive (loss).

### NOTE 8: OTHER

On November 21, 2003, the Company announced that it had received an offer from the principal shareholders of the Company, who own approximately 61% of the Company's outstanding common stock, of their intent to acquire all of the remaining outstanding shares of common stock for a cash purchase price of \$1.75 per share. The Company's Board of Directors appointed a Special Committee, consisting of the three directors independent of the principal shareholders, to review and analyze the proposal. The initial purchase price of \$1.75 was rejected by the Special Committee. A subsequent offer of \$3.12 per share has been accepted by the Special Committee.

### NOTE 9: RESIGNATION OF PRESIDENT, TREASURER, PRINCIPAL EXECUTIVE AND PRINCIPAL FINANCIAL OFFICER

In April 2004, Anthony C. Papalia, the Company's president, treasurer, principal executive and principal financial officer requested of the board that he be released from his employment contract effective at the close of business on June 28, 2004 "...in order to pursue personal interests ...."



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The board agreed to release Mr. Papalia from his employment contract at said date and he agreed to a one year non-competition agreement with the Company. The board has elected Robert M. Lombardi as the new president of the Company. Martin Fletcher, the Company's controller, will succeed Mr. Papalia as the Company's treasurer and chief financial officer.

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### CHEFS INTERNATIONAL, INC. AND SUBSIDIARIES

#### ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

##### SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

Certain statements regarding future performance in this Quarterly Report on Form 10-QSB constitute forward-looking statements under the Private Securities Litigation Reform Act of 1995. No assurance can be given that the future results covered by the forward-looking statements will be achieved. The Company cautions readers that important factors may affect the Company's actual results and could cause those results to differ materially from the forward-looking statements. Such factors include, but are not limited to, changing market conditions, weather, the state of the economy, substantial increases in insurance costs (in addition to those substantial increases which commenced in April 2002), the impact of competition to the Company's restaurants, pricing and acceptance of the Company's food products.

##### RECENT DEVELOPMENTS

On June 1, 2004, the Company announced that a Special Committee of its Board of Directors, appointed to evaluate a proposal made by the Lombardi Restaurant Group (owned by the principal stockholders of the Company) to purchase the interests of the Company's minority stockholders at a cash purchase price of \$3.12 per share (increased from an initial offer of \$1.75 per share), had determined to recommend that the Board accept the proposal. As the proposal is subject to various conditions, no assurances can be given that the proposed purchase will be completed.

The Company reported in its Annual Report on Form 10-KSB for the year ended January 25, 2004 that the employment of Anthony C. Papalia as the Company's president, principal executive officer, treasurer and principal financial officer, was ending effective at the close of business on June 28, 2004, at Mr. Papalia's request, to enable him "...to pursue personal interests..." Robert M. Lombardi, chairman of the board, will succeed Mr. Papalia as president and principal executive officer. Martin Fletcher, the Company's controller, will succeed Mr. Papalia as treasurer and principal financial officer.

##### OVERVIEW

The Company's principal source of revenue is from the operations of its restaurants. The Company's cost of sales includes food and liquor costs. Operating expenses include labor costs, supplies and occupancy costs (rent, insurance and utilities), marketing and maintenance costs. General and administrative expenses include costs incurred for corporate support and administration, including the salaries and related expenses of personnel

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and the costs of operating the corporate office at the Company's headquarters in Point Pleasant Beach, New Jersey.

The Company currently operates nine restaurants on a year-round basis. The Company closed its Escondido's Mexican Restaurant in the Monmouth Mall during the second quarter of calendar year 2003 and sold its Jensen Beach, Florida Lobster Shanty during the second quarter of calendar year 2004. The Company opened its first seafood restaurant in November 1978 and currently has six free-standing seafood restaurants in New Jersey and Florida

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operating under the names "Jack Baker's Lobster Shanty" or "Baker's Wharfside." The Company opened its first Mexican theme restaurant, located in New Jersey, in April 1996, under the name "Garcia's." On February 1, 2002, Garcia's began to operate under the trade name Escondido's ("Monmouth"). The Company closed this restaurant during the second quarter of fiscal 2004. In February 2000, the Company commenced the operation of Moore's Tavern and Restaurant, ("Moore's"), a free-standing restaurant in Freehold, New Jersey serving an eclectic American food type menu. On January 29, 2002, the Company commenced operation of Escondido's Mexican Restaurant ("Freehold"), a Mexican theme restaurant located in Freehold, New Jersey, adjacent to Moore's. On April 1, 2002, the Company acquired the operations of Mr. Manatee's Casual Grille ("Manatee's"), a casual theme restaurant primarily featuring seafood items, located in Vero Beach, Florida near the Company's Vero Beach, Florida Lobster Shanty. The sale of the Jensen Beach restaurant in May 2004 has reduced the number of restaurants operated by the Company to nine.

Generally, the Company's New Jersey seafood restaurants derive a significant portion of their sales from May through September. The Company's Florida seafood restaurants derive a significant portion of their sales from January through April. Moore's experiences a seasonality factor similar to but not as dramatic as the seasonality factor of the New Jersey seafood restaurants. The Company's Freehold Escondido's experiences a seasonality factor similar to Moore's. Manatee's follows the seasonality pattern of the other Florida restaurants.

The Company operated eleven restaurants during the first quarter of last year ended April 27, 2003.

### RESULTS OF OPERATIONS

#### SALES

Sales for the three months ended April 25, 2004 (first quarter of "fiscal 2005") were \$5,852,500, an increase of \$173,700 or 3.1%, as compared to \$5,678,800 for the three months ended April 27, 2003 (first quarter of "fiscal 2004"). Increased sales of \$358,200 or 6.5% for the ten restaurants that operated during the comparable periods were offset by decreased sales of \$184,500 at the Monmouth Escondido's ("Monmouth") which was closed in June 2003. The Florida restaurants realized increased sales of \$232,400 or 8.3% due to a very strong tourist season in Florida and improvement in the national economy. The six New Jersey restaurants that operated during both periods realized increased sales of \$125,800 or 4.7% primarily due to a milder winter compared to last year and the improved economy. The sales increase in both states were realized despite ongoing concerns related to terrorism threats, the Iraq war and the record increase in the cost of gasoline. The number of customers served in the ten restaurants increased by 3% while the average check paid per customer

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increased by 3.4% versus last year.

### GROSS PROFIT; GROSS MARGIN

Gross profit was \$3,986,100 or 68.1% of sales for the first quarter ended April 25, 2004 compared to 68.8% of sales for the quarter ended April 27, 2003. The primary reasons for the decline were substantial increases in commodity prices including beef, dairy, poultry and grains and the closing of the Monmouth restaurant with its lower cost Mexican fare. Management has raised some menu prices to compensate for the higher costs and made bulk purchases of shrimp to take advantage of lower-cost market conditions.

### OPERATING EXPENSES

Total operating expenses decreased by 3.1% from \$3,911,500 for the first quarter of fiscal 2004 to \$3,788,700 for the first quarter of

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fiscal 2005. Payroll and related expenses were 30.3% of sales versus 31.4% of sales for the corresponding quarter of the previous year primarily due to productivity improvements, lower health insurance costs and the increased sales volume. Other operating expenses decreased to 22.1% of sales for the first quarter this year versus 24.1% of sales primarily due to decreases in costs directly attributable to the closing of Monmouth and the increase in sales versus last year.

Depreciation and amortization expenses in the first quarter were lower by approximately \$21,900 versus last year due primarily to the closing of Monmouth and the expiration of fully depreciated assets.

General and administrative expenses for the current quarter were \$14,200 lower versus last year primarily due to reductions in corporate staff and lower health insurance costs.

### OTHER INCOME AND EXPENSE

Interest expense was \$4,700 lower for the quarter ended April 25, 2004 compared to the first quarter of last year due to debt reduction. Investment income was \$700 lower in the first quarter compared to last year primarily due to a net loss of \$5,600 realized on the sale of investments.

### NET INCOME (LOSS)

The Company realized net income of \$129,800 or \$.03 per share for the quarter ended April 25, 2004 as compared to a net loss of \$3,600 for the quarter ended April 27, 2003. The primary components of the improvement this year are a 3% increase in sales due to a strong Florida tourist season and a mild New Jersey winter and a decrease in total operating expenses primarily due to the closing of Monmouth.

### LIQUIDITY AND CAPITAL RESOURCES

The Company's ratio of current assets to current liabilities was 2.62:1 at April 25, 2004 compared to 2.56:1 at the year ended January 25, 2004. Working capital was \$3,712,600 at April 25, 2004 versus \$3,686,800 at the year end, an increase of \$25,800. During the first quarter ended April 25, 2004, net cash increased by \$62,400. Net cash provided by operating activities was \$472,700. The primary components were net income after

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adjustment for depreciation, of \$401,500, an increase in inventories of \$75,400 primarily related to bulk purchases of shrimp to take advantage of market conditions and an increase of \$47,900 in accounts payable due to increased sales and the inventory purchases.

Investing activities during the first quarter of fiscal 2005 resulted in a net cash outflow of approximately \$373,800. The primary components were capital expenditures of \$149,800 for routine restaurant improvements, a final payment of \$120,000 paid as per the Surrender Agreement associated with the closing of Monmouth (see Note 6) and investment purchases of \$711,800 for available-for-sale securities offset by \$649,400 from the sale of investments.

Financing activities for the quarter ended April 25, 2004 resulted in a net cash outflow of \$36,500 for debt repayment.

During the corresponding quarter ended April 27, 2003, working capital increased by \$124,100 and net cash increased by \$122,000. The primary components of the first quarter of

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last year's cash flow were net income, after adjustment for depreciation of \$290,000, an increase in prepaid expenses of \$135,600 due to a change in the financing of the Company's property insurance renewal, an increase of \$163,700 in accounts payable primarily due to the timing of several prepaid expenses including insurance and accounting, capital expenditures of \$129,100 for restaurant improvements, debt repayment of \$42,000 and \$59,600 for the repurchase of 40,000 shares of the Company's Common Stock pursuant to a December 24, 2002 Board of Directors authorization which expired on January 29, 2004.

Subsequent to the quarter ended April 25, 2004, the Company sold the restaurant and property located in Jensen Beach, Florida for \$900,000 to an unrelated party. The sale resulted in a gain of approximately \$390,000 which will be recorded in the second quarter this year.

Also, subsequent to the quarter ended April 25, 2004, the Company entered into an agreement to sell the liquor license used at Monmouth for \$675,000. The agreement is contingent on the purchaser meeting certain requirements.

Management anticipates that funds from operations will be sufficient to meet obligations for the balance of fiscal 2005, including planned capital expenditures of approximately \$395,000 in addition to those incurred during the first quarter.

### INFLATION

It is not possible for the Company to predict with any accuracy the effect of inflation upon the results of its operations in future years. In general, the Company is able to increase menu prices to counteract the majority of the inflationary effects of increasing costs with the exception of the substantial increase in insurance costs that the Company has had to absorb over the last two years.

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CHEFS INTERNATIONAL, INC. AND SUBSIDIARIES

## ITEM 3 - CONTROLS AND PROCEDURES

(a) EXPLANATION OF DISCLOSURE CONTROLS AND PROCEDURES. The Company's principal executive and principal financial officer after evaluating the effectiveness of the Company's disclosure controls and procedures (as defined in Exchange Act Rules 13a-14(c) and 15d-14(c) as of a date within 90 days of the filing date of this quarterly report (the "Evaluation Date")) has concluded that as of the Evaluation Date, the Company's disclosure controls and procedures were adequate and effective to ensure that material information relating to the Company and its consolidated subsidiaries would be made known to him by others within those entities, particularly during the period in which this quarterly report was being prepared.

(b) CHANGES IN INTERNAL CONTROLS. There were no significant changes in the Company's internal controls or in other factors that could significantly affect the Company's disclosure controls and procedures subsequent to the Evaluation Date, nor any significant deficiencies or material weaknesses in such disclosure controls and procedures requiring corrective actions. As a result, no corrective actions were taken.

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CHEFS INTERNATIONAL, INC. AND SUBSIDIARIES

## PART II - OTHER INFORMATION

### ITEM 6 - EXHIBITS AND REPORTS ON FORM 8-K

#### (a) EXHIBITS

31 - Certification of Principal Executive and Principal Financial Officer

32 - Certification pursuant to 18 U.S.C. Section 1350 of Principal Executive and Principal Financial Officer

#### (b) REPORTS ON FORM 8-K

During the quarter ended April 25, 2004, the Company filed the following current reports on Form 8-K

DATE

ITEM NO.

January 30, 2004

5- Reporting the retention by the Special Committee, appointed by the Board of Directors to evaluate the offer by the Lombardi Restaurant Group to purchase the shares of the Company's minority stockholders, of the investment banking firm of Houlihan Lokey Howard & Zukin Financial Advisors, Inc. to opine

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to the Committee as to the fairness, from a financial point of view, of the offer.

March 8, 2004

5- Reporting the rejection by the Special Committee of the initial \$1.75 cash purchase price per share offer of the Lombardi Restaurant Group.

March 15, 2004

5- Reporting the increase of the offer by the Lombardi Restaurant Group to a cash purchase price of \$2.50 per share.

April 19, 2004

5- Reporting the rejection by the Special Committee of the \$2.50 per share offer of the Lombardi Restaurant Group.

Subsequent to the close of the quarter ended April 25, 2004, the Company filed the following current report on Form 8-K.

June 1, 2004

5- Reporting the determination of the Special Committee to recommend that the Board of Directors accept the increased offer of the Lombardi Restaurant Group to purchase the stock of the Company's minority stockholders at a cash purchase price of \$3.12 per share.

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CHEFS INTERNATIONAL, INC. AND SUBSIDIARIES

SIGNATURE

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

CHEFS INTERNATIONAL, INC.

/S/ ANTHONY C. PAPALIA

-----  
ANTHONY C. PAPALIA  
Principal Executive and Financial Officer

DATED: JUNE 9, 2004

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