

**FOR IMMEDIATE RELEASE**

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**MORGAN'S FOODS, INC. PURSUES COMPLIANCE WITH THE CONTINUED LISTING  
STANDARDS OF THE AMERICAN STOCK EXCHANGE**

Beachwood, Ohio (June 14, 2002) -- Morgan's Foods, Inc. (AMEX:MR) ([www.morgansfoods.com](http://www.morgansfoods.com)) received notice from the American Stock Exchange on March 15, 2002 that it continues to be out of compliance with certain of the continued listing standards of the Exchange, as has been reported previously in the Company's SEC filings, and would be required to submit a plan to the Exchange indicating how the Company would achieve compliance with those standards. Specifically, the Company fell under the guidelines in Section 1003(a)(i) with shareholders' equity of less than \$2,000,000 and has sustained losses from continuing operations and/or net losses in two of its three most recent fiscal years; Section 1003(a)(ii) with shareholder's equity of less than \$4,000,000 and has sustained losses from continuing operations and/or net losses in three out of its four most recent fiscal years; and Section 1003(a)(iii) with shareholder's equity of less than \$6,000,000 and has sustained losses from continuing operations and/or net losses in its five most recent fiscal years.

On April 22, 2002 the Company submitted a plan to the staff at the American Stock Exchange indicating how it would regain compliance with the continued listing standards. Subsequent to the original notice on March 15, 2002 the Company regained compliance with item 1003(a)(iii) by reporting, on May 31, 2002, a profit for the fiscal year ended March 3, 2002. The Company's plan was accepted by the Exchange on June 7, 2002 and the Company's listing has been continued under an extension.

The Exchange will continue to monitor the Company's performance periodically and any failure to meet the operating plan which was accepted by the Exchange could result in the commencement of delisting proceedings.

Morgan's Foods, Inc. operates 76 KFC restaurants, 7 Taco Bell restaurants, 16 KFC/Taco Bell "2n1's", 3 Taco Bell/Pizza Hut Express "2n1" restaurants and 1 KFC/Pizza Hut Express "2n1" in six states.

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