

TORONTO DOMINION BANK  
Form 6-K  
October 29, 2013

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER**

**Pursuant to Rule 13a-16 or 15d-16 of**

**the Securities Exchange Act of 1934**

For the month of October, 2013. Commission File Number: 001-14446

The Toronto-Dominion Bank

(Translation of registrant's name into English)

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c/o General Counsel's Office

P.O. Box 1, Toronto Dominion Centre,

Toronto, Ontario, M5K 1A2

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

**FORM 6-K**

**SIGNATURES**

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

**THE  
TORONTO-DOMINION  
BANK**

DATE: October 29, 2013 By: /s/ Rasha El Sissi  
Name: Rasha El Sissi  
Title: Vice President, Legal

**EXHIBIT INDEX**

Exhibit Description

99.1 Press Release - October 29, 2013 - TD Bank Group Comments on Expected Impact of TD Ameritrade Holding Corp.'s Fourth Quarter Earnings

(In thousands)

Income taxes paid, net

\$ 1,001

\$ 1,381

Interest paid

\$ 21,594

\$ 23,840

Noncash investing activities:

Notes received in connection with disposition of property

\$ 2,670

\$ —

Execution of direct financing leases

\$ 3,007

\$ 132

|  |       |
|--|-------|
| Net proceeds receivable from disposition of property                 |       |
| \$   | —     |
| \$   | 972   |
| Noncash financing activities:  |       |
| Net proceeds receivable from stock option exercises                  |       |
| \$   | —     |
| \$   | 260   |
| Issuance of common stock, pursuant to share-based compensation plans |       |
| \$   | 1,268 |
| \$   | 1,125 |
| Execution of capital leases  |       |
| \$   | 4,516 |
| \$   | 1,430 |

Note 14. Related Party Transactions

During the quarter and three quarters ended September 24, 2008, we sold company-owned restaurants to franchisees that are former employees. We received cash proceeds of \$1.0 million and \$2.9 million from the sale of restaurant operations to these related parties during the two periods, respectively.

Note 15. Implementation of New Accounting Standards

In May 2008, the FASB issued Statement of Financial Accounting Standards No. 162 ("SFAS 162"), "The Hierarchy of Generally Accepted Accounting Principles." SFAS 162 identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements of nongovernmental entities that are presented in conformity with generally accepted accounting principles (GAAP) in the United States (the GAAP hierarchy). This Statement is effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board amendments to AICPA Codification of Auditing Standards, AU Section 411, "The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles." We do not currently believe that adopting SFAS 162 will have a material impact on our Condensed Consolidated Financial Statements.

In April 2008, the FASB issued FASB Staff Position Financial Accounting Standard 142-3 ("FSP FAS 142-3"), "Determination of the Useful Life of Intangible Assets." FSP FAS 142-3 amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under SFAS No. 142 ("SFAS 142"), "Goodwill and Other Intangible Assets." The intent of the FSP is to improve the consistency between the useful life of a recognized intangible asset under SFAS 142 and the period of expected cash flows used to measure the fair value of the asset under SFAS No. 141, "Business Combinations." We are required to adopt FSP FAS 142-3 in the first quarter of 2009 and will apply it prospectively to intangible assets acquired after the effective date. We do not currently believe that adopting FSP FAS 142-3 will have a material impact on our Condensed Consolidated Financial Statements.

In March 2008, the FASB issued Statement of Financial Accounting Standards No. 161 ("SFAS 161"), "Disclosures about Derivative Instruments and Hedging Activities," which amends and expands Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS 161 requires tabular disclosure of the fair value of derivative instruments and their gains and losses. This Statement also requires disclosure regarding the credit-risk related contingent features in derivative agreements, counterparty credit risk, and strategies and objectives for using derivative instruments. We are required to adopt SFAS 161 in the first quarter of 2009. We do not currently believe that adopting SFAS 161 will have a material impact on our Condensed Consolidated Financial Statements.

In December 2007, the FASB issued Statement of Financial Accounting Standards No. 160 ("SFAS 160"), "Noncontrolling Interests in Consolidated Financial Statements — an amendment of ARB No. 51." SFAS 160 amends Accounting Research Bulletin No. 51, "Consolidated Financial Statements" to establish accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. It clarifies that a noncontrolling interest in a subsidiary, which is sometimes referred to as minority interest, is an ownership interest in the consolidated entity that should be reported as equity in our Consolidated Financial Statements. Among other requirements, this Statement requires that the consolidated net income attributable to the parent and the noncontrolling interest be clearly identified and presented on the face of the consolidated income statement. SFAS 160 is effective for the first fiscal period beginning on or after December 15, 2008. We are required to adopt SFAS 160 in the first quarter of 2009. We do not currently believe that adopting SFAS 160 will have a material impact on our Condensed Consolidated Financial Statements.

In December 2007, the FASB issued Statement of Financial Accounting Standards No. 141 (revised 2007) ("SFAS 141R"), "Business Combinations." SFAS 141R establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, any noncontrolling interest in an acquiree and the goodwill acquired. SFAS 141R applies to business combinations for which the acquisition date is on or after the first fiscal period beginning on or after December 15, 2008. SFAS 141R will also require that any additional reversal of deferred tax asset valuation allowance established in connection with fresh start reporting on January 7, 1998 be recorded as a component of income tax expense rather than as currently reflected as a reduction to the goodwill established in connection with the fresh start reporting. We are required to adopt SFAS 141R in the first quarter of 2009. The impact of SFAS 141R on our Condensed Consolidated Financial Statements will be dependent upon the extent to which we have transactions or events occur that are within its scope.

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157, "Fair Value Measurements." SFAS 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. SFAS 157 applies under other accounting pronouncements that require or permit fair value measurements, the FASB having previously concluded in those accounting pronouncements that fair value is the relevant measurement attribute. Accordingly, SFAS 157 does not require any new fair value measurements. Effective December 27, 2007, the first day of fiscal 2008, we adopted the provisions of SFAS 157 for financial assets and liabilities, as well as any other assets and liabilities that are carried at fair value on a recurring basis in financial statements. See Note 2 to the Condensed Consolidated Financial Statements. We applied the

provisions of FSP FAS 157-2, "Effective Date of FASB Statement 157," which defers the provisions of SFAS 157 for nonfinancial assets and liabilities to the first fiscal period beginning after November 15, 2008. The deferred nonfinancial assets and liabilities include items such as goodwill and other nonamortizable intangibles. We are required to adopt SFAS 157 for nonfinancial assets and liabilities in the first quarter of fiscal 2009 and are still evaluating the impact on our Condensed Consolidated Financial Statements.

Other accounting standards that have been issued or proposed by the FASB or other standards-setting bodies that do not require adoption until a future date are not expected to have a material impact on our Condensed Consolidated Financial Statements upon adoption.

Note 16. Commitments and Contingencies

There are various claims and pending legal actions against or indirectly involving us, including actions concerned with civil rights of employees and guests, other employment related matters, taxes, sales of franchise rights and businesses and other matters. Based on our examination of these matters and our experience to date, we have recorded our best estimate of liability, if any, with respect to these matters. However, the ultimate disposition of these matters cannot be determined with certainty. We record legal expenses and other litigation costs as those costs are incurred.

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

The following discussion is intended to highlight significant changes in our financial position as of September 24, 2008 and results of operations for the quarter and three quarters ended September 24, 2008 compared to the quarter and three quarters ended September 26, 2007. The forward-looking statements included in Management's Discussion and Analysis of Financial Condition and Results of Operations, which reflect our best judgment based on factors currently known, involve risks, uncertainties, and other factors which may cause our actual performance to be materially different from the performance indicated or implied by such statements. Such factors include, among others: competitive pressures from within the restaurant industry; the level of success of our operating initiatives and advertising and promotional efforts; adverse publicity; changes in business strategy or development plans; terms and availability of capital; regional weather conditions; overall changes in the general economy (including with regard to energy costs), particularly at the retail level; political environment (including acts of war and terrorism); and other factors included in the discussion below or in Part II. Item 1A. Risk Factors in this Quarterly Report on Form 10-Q, or in Part II. Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and Part I. Item 1A. Risk Factors, contained in our Annual Report on Form 10-K for the year ended December 26, 2007.

## Statements of Operations

The following table contains information derived from our Condensed Consolidated Statements of Operations expressed as a percentage of total operating revenues, except as noted below. Percentages may not add due to rounding.

|   | Quarter Ended          |        |                    |        | Three Quarters Ended |        |                    |        |
|---|------------------------|--------|--------------------|--------|----------------------|--------|--------------------|--------|
|   | September 24, 2008     |        | September 26, 2007 |        | September 24, 2008   |        | September 26, 2007 |        |
|   | (Dollars in thousands) |        |                    |        |                      |        |                    |        |
| <b>Revenue:</b>                               |                        |        |                    |        |                      |        |                    |        |
| Company restaurant sales                      | \$ 160,608             | 84.9%  | \$ 216,792         | 89.8%  | \$ 493,434           | 85.7%  | \$ 650,909         | 90.5%  |
| Franchise and license revenue                 | 28,667                 | 15.1%  | 24,617             | 10.2%  | 82,109               | 14.3%  | 68,193             | 9.5%   |
| Total operating revenue                       | 189,275                | 100.0% | 241,409            | 100.0% | 575,543              | 100.0% | 719,102            | 100.0% |
| <b>Costs of company restaurant sales (a):</b> |                        |        |                    |        |                      |        |                    |        |
| Product costs                                 | 38,811                 | 24.2%  | 55,520             | 25.6%  | 119,790              | 24.3%  | 166,969            | 25.7%  |
| Payroll and benefits                          | 65,582                 | 40.8%  | 88,341             | 40.7%  | 208,331              | 42.2%  | 273,141            | 42.0%  |
| Occupancy                                     | 9,475                  | 5.9%   | 13,193             | 6.1%   | 30,003               | 6.1%   | 39,345             | 6.0%   |
| Other operating expenses                      | 25,384                 | 15.8%  | 33,842             | 15.6%  | 75,322               | 15.3%  | 95,937             | 14.7%  |
| Total costs of company restaurant sales       | 139,252                | 86.7%  | 190,896            | 88.1%  | 433,446              | 87.8%  | 575,392            | 88.4%  |
| Costs of franchise and license revenue (a)    | 8,757                  | 30.5%  | 6,858              | 27.9%  | 25,448               | 31.0%  | 20,266             | 29.7%  |
| <b>General and administrative expenses</b>    |                        |        |                    |        |                      |        |                    |        |
|   | 14,894                 | 7.9%   | 15,974             | 6.6%   | 46,046               | 8.0%   | 49,067             | 6.8%   |
|   | 9,977                  | 5.3%   | 12,117             | 5.0%   | 30,110               | 5.2%   | 37,475             | 5.2%   |

|   |           |        |          |        |           |        |           |        |
|---|-----------|--------|----------|--------|-----------|--------|-----------|--------|
| Depreciation and amortization             |           |        |          |        |           |        |           |        |
| Operating gains, losses and other charges | (4,294)   | (2.3%) | (316)    | (0.1%) | (9,980)   | (1.7%) | (14,890)  | (2.1%) |
| Total operating costs and expenses        | 168,586   | 89.1%  | 225,529  | 93.4%  | 525,070   | 91.2%  | 667,310   | 92.8%  |
| Operating income                          | 20,689    | 10.9%  | 15,880   | 6.6%   | 50,473    | 8.8%   | 51,792    | 7.2%   |
| Other expenses:                           |           |        |          |        |           |        |           |        |
| Interest expense, net                     | 8,761     | 4.6%   | 10,489   | 4.3%   | 26,845    | 4.7%   | 32,783    | 4.6%   |
| Other nonoperating expense (income), net  | 677       | 0.4%   | 34       | 0.0%   | 4,436     | 0.8%   | (391)     | (0.1%) |
| Total other expenses, net                 | 9,438     | 5.0%   | 10,523   | 4.4%   | 31,281    | 5.4%   | 32,392    | 4.5%   |
| Net income before income taxes            | 11,251    | 5.9%   | 5,357    | 2.2%   | 19,192    | 3.3%   | 19,400    | 2.7%   |
| Provision for income taxes                | 689       | 0.4%   | 407      | 0.2%   | 1,355     | 0.2%   | 2,780     | 0.4%   |
| Net income                                | \$ 10,562 | 5.6%   | \$ 4,950 | 2.1%   | \$ 17,837 | 3.1%   | \$ 16,620 | 2.3%   |

## Other Data:

|  |        |  |        |  |          |  |          |
|--|--------|--|--------|--|----------|--|----------|
| Company-owned average unit sales   | \$ 459 |  | \$ 446 |  | \$ 1,335 |  | \$ 1,289 |
| Franchise average unit sales   | 377    |  | 402    |  | 1,112    |  | 1,149    |
| Company-owned equivalent units (b)   | 348    |  | 485    |  | 369      |  | 505      |
| Franchise equivalent units (b)   | 1,195  |  | 1,054  |  | 1,177    |  | 1,036    |
| Same-store sales increase (decrease) (company-owned) (c)(d)                  | (2.7)% |  | 1.3%   |  | (0.9)%   |  | 0.7%     |
| Guest check average increase (d)   | 6.7%   |  | 6.0%   |  | 6.3%     |  | 4.1%     |
| Guest count decrease (d)   | (8.8)% |  | (4.5)% |  | (6.7)%   |  | (3.2)%   |
| Same-store sales increase (decrease) (franchised and licensed units) (c) (d) | (6.1)% |  | 3.2%   |  | (3.6)%   |  | 2.2%     |

(a) Costs of company restaurant sales percentages are as a percentage of company restaurant sales. Costs of franchise and license revenue percentages are as a percentage of franchise and license revenue. All other percentages are as a percentage of total operating revenue.

(b) Equivalent units are calculated as the weighted average number of units outstanding during a defined time period.

(c)

Same-store sales include sales from restaurants that were open the same days in both the current year and prior year.

(d) Prior year amounts have not been adjusted for 2008 comparable units.

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Quarter Ended September 24, 2008 Compared with Quarter Ended September 26, 2007

|   | Quarter Ended         |                       |
|---|-----------------------|-----------------------|
|   | September 24,<br>2008 | September 26,<br>2007 |
| Company-owned restaurants, beginning of period                          | 354                   | 488                   |
| Units opened  | —                     | 2                     |
| Units acquired from franchisees   | —                     | —                     |
| Units sold to franchisees   | (21)                  | (22)                  |
| Units closed  | (1)                   | —                     |
| End of period   | 332                   | 468                   |
| Franchised and licensed restaurants, beginning of period                | 1,191                 | 1,051                 |
| Units opened  | 8                     | 2                     |
| Units acquired by Company   | —                     | —                     |
| Units purchased from Company  | 21                    | 22                    |
| Units closed  | (14)                  | (4)                   |
| End of period   | 1,206                 | 1,071                 |
| Total company-owned, franchised and licensed restaurants, end of period | 1,538                 | 1,539                 |

Company Restaurant Operations

During the quarter ended September 24, 2008, we incurred a 2.7% decrease in same-store sales, comprised of a 6.7% increase in guest check average and a 8.8% decrease in guest counts. Company restaurant sales decreased \$56.2 million, or 25.9%, primarily resulting from a 137 equivalent-unit decrease in company-owned restaurants. The decrease in equivalent-units primarily resulted from the sale of company-owned restaurants to franchisees as part of our Franchise Growth Initiative.

Total costs of company restaurant sales as a percentage of company restaurant sales decreased to 86.7% from 88.1%. Product costs decreased to 24.2% from 25.6% due to favorable shifts in menu mix. Payroll and benefits costs increased to 40.8% from 40.7% primarily as a result of increased workers compensation and group insurance costs, offset by a decrease in management labor and restaurant staffing related to improved scheduling. Occupancy costs decreased slightly to 5.9% from 6.1% due to a benefit in general liability expense during the current quarter. Other operating expenses were comprised of the following amounts and percentages of company restaurant sales:

|                          | Quarter Ended          |       |                    |       |
|--------------------------|------------------------|-------|--------------------|-------|
|                          | September 24, 2008     |       | September 26, 2007 |       |
|                          | (Dollars in thousands) |       |                    |       |
| Utilities                | \$ 9,139               | 5.7%  | \$ 10,960          | 5.1%  |
| Repairs and maintenance  | 3,693                  | 2.3%  | 5,414              | 2.5%  |
| Marketing                | 5,682                  | 3.5%  | 7,355              | 3.4%  |
| Legal                    | 698                    | 0.4%  | 1,565              | 0.7%  |
| Other direct costs       | 6,172                  | 3.8%  | 8,548              | 3.9%  |
| Other operating expenses | \$ 25,384              | 15.8% | \$ 33,842          | 15.6% |

The overall decrease in other operating expenses primarily results from the sale of company-owned restaurants to franchisees.

Franchise Operations

Franchise and license revenue and costs of franchise and license revenue were comprised of the following amounts and percentages of franchise and license revenue for the periods indicated:

|  | Quarter Ended          |        |                    |        |
|--|------------------------|--------|--------------------|--------|
|  | September 24, 2008     |        | September 26, 2007 |        |
|  | (Dollars in thousands) |        |                    |        |
| Royalties                              | \$ 17,791              | 62.1%  | \$ 16,779          | 68.2%  |
| Initial and other fees                 | 1,376                  | 4.8%   | 1,180              | 4.8%   |
| Occupancy revenue                      | 9,500                  | 33.1%  | 6,658              | 27.0%  |
| Franchise and license revenue          | 28,667                 | 100.0% | 24,617             | 100.0% |
| Occupancy costs                        | 7,354                  | 25.6%  | 5,098              | 20.7%  |
| Other direct costs                     | 1,403                  | 4.9%   | 1,760              | 7.2%   |
| Costs of franchise and license revenue | \$ 8,757               | 30.5%  | \$ 6,858           | 27.9%  |

Royalties increased by \$1.0 million, or 6.0%, primarily resulting from a 141 equivalent-unit increase in franchised and licensed units, as compared to the prior year quarter, offset by the effects of a 6.1% decrease in same-store sales. The increase in equivalent-units resulted from the sale of company-owned restaurants to franchisees. The increase in occupancy revenue of \$2.8 million, or 42.7%, is also primarily the result of the sale of restaurants to franchisees.

Costs of franchise and license revenue increased by \$1.9 million, or 27.7%. The increase in occupancy costs of \$2.3 million, or 44.3%, is primarily the result of the sale of company-owned restaurants to franchisees. Other direct costs decreased by \$0.4 million, or 20.3%, primarily as a result of the reorganization of the field management structure that occurred in the third quarter of 2007. As a percentage of franchise and license revenue, costs of franchise and license revenue increased to 30.5% for the quarter ended September 24, 2008 from 27.9% for the quarter ended September 26, 2007.

#### Other Operating Costs and Expenses

Other operating costs and expenses such as general and administrative expenses and depreciation and amortization expense relate to both company and franchise operations.

General and administrative expenses are comprised of the following:

|   | Quarter Ended         |                       |
|---|-----------------------|-----------------------|
|   | September<br>24, 2008 | September<br>26, 2007 |
|   | (In thousands)        |                       |
| Share-based compensation                  | \$ 849                | \$ 681                |
| General and administrative expenses       | 14,045                | 15,293                |
| Total general and administrative expenses | \$ 14,894             | \$ 15,974             |

The \$1.2 million decrease in general and administrative expenses is due primarily to the reorganization to support our ongoing transition to a franchise-focused business model.

Depreciation and amortization is comprised of the following:

|   | Quarter Ended         |                       |
|---|-----------------------|-----------------------|
|   | September<br>24, 2008 | September<br>26, 2007 |
|   | (In thousands)        |                       |
| Depreciation of property and equipment      | \$ 7,706              | \$ 9,423              |
| Amortization of capital lease assets        | 871                   | 1,181                 |
| Amortization of intangible assets           | 1,400                 | 1,513                 |
| Total depreciation and amortization expense | \$ 9,977              | \$ 12,117             |

The overall decrease in depreciation and amortization expense is due primarily to the sale of company-owned restaurants to franchisees during fiscal 2007 and 2008.

Operating gains, losses and other charges, net are comprised of the following:

|  | Quarter Ended         |                       |
|--|-----------------------|-----------------------|
|  | September<br>24, 2008 | September<br>26, 2007 |
|  | (In thousands)        |                       |
| Gains on sales of assets and other, net        | \$ (5,290)            | \$ (4,197)            |
| Restructuring charges and exit costs           | 752                   | 3,701                 |
| Impairment charges                             | 244                   | 180                   |
| Operating gains, losses and other charges, net | \$ (4,294)            | \$ (316)              |

During the quarter ended September 24, 2008, we recognized \$3.5 million of gains on the sale of 21 restaurant operations to six franchisees for net proceeds of \$8.3 million compared to \$2.4 million of gains on the sale of 22 restaurant operations to eight franchisees for net proceeds of \$8.7 million during the prior year quarter. The remaining gains for the two periods resulted from the sale of real estate related to closed restaurants and restaurants operated by franchisees and the recognition of deferred gains.

Restructuring charges and exit costs were comprised of the following:

|  | Quarter Ended         |                       |
|--|-----------------------|-----------------------|
|  | September<br>24, 2008 | September<br>26, 2007 |
|  | (In thousands)        |                       |

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|   |    |      |    |       |
|---|----|------|----|-------|
| Exit costs                                | \$ | 821  | \$ | 276   |
| Severance and other restructuring charges |    | (69) |    | 3,425 |
| Total restructuring and exit costs        | \$ | 752  | \$ | 3,701 |

The \$3.7 million in severance and other restructuring charges recognized during the quarter ended September 26, 2007 primarily related to the reorganization of the field management structure.

Operating income was \$20.7 million for the quarter ended September 24, 2008 compared with \$15.9 million for the quarter ended September 26, 2007.

Interest expense, net is comprised of the following:

|  | Quarter Ended         |                       |
|--|-----------------------|-----------------------|
|  | September<br>24, 2008 | September<br>26, 2007 |
|  | (In thousands)        |                       |
| Interest on senior notes                 | \$ 4,363              | \$ 4,363              |
| Interest on credit facilities            | 2,178                 | 3,871                 |
| Interest on capital lease liabilities    | 989                   | 960                   |
| Letters of credit and other fees         | 498                   | 571                   |
| Interest income                          | (232)                 | (401)                 |
| Total cash interest                      | 7,796                 | 9,364                 |
| Amortization of deferred financing costs | 273                   | 301                   |
| Interest accretion on other liabilities  | 692                   | 824                   |
| Total interest expense, net              | \$ 8,761              | \$ 10,489             |

The decrease in interest expense resulted primarily from the repayment of \$15.9 million and \$100.3 million on the credit facilities during 2008 and 2007, respectively.

The provision for income taxes was \$0.7 million and \$0.4 million for the quarter ended September 24, 2008 and September 26, 2007, respectively. The provision for income taxes for the quarters of 2008 and 2007 was determined using our effective rate estimated for the entire fiscal year. The quarter ended September 24, 2008 also included the recognition of \$0.6 million of current tax benefits. This item resulted from the enactment of certain federal laws that benefited us during the third quarter of 2008. We have provided valuation allowances related to any benefits from income taxes resulting from the application of a statutory tax rate to our net operating losses ("NOL") generated in previous periods. In addition, during 2008 and 2007, we utilized certain federal and state NOL carryforwards whose valuation allowances were established in connection with fresh start reporting on January 7, 1998. Accordingly, for the quarter ended September 24, 2008 and September 26, 2007, we recognized an increase of approximately \$0.1 million and a decrease of \$0.4 million, respectively, of federal and state deferred tax expense with a corresponding adjustment to the goodwill that was recorded in connection with fresh start reporting on January 7, 1998. The reduction in our effective tax rate for the quarter ended September 24, 2008, as compared to the quarter ended September 26, 2007, was due primarily to the utilization of federal net operating loss carryforwards during 2007 from periods prior to fresh start reporting on January 7, 1998. These federal net operating loss carryforwards were fully utilized during fiscal 2007. We still have certain state net operating loss carryforwards from periods prior to fresh start reporting that have been utilized in both fiscal 2007 and 2008.

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Net income was \$10.6 million for the quarter ended September 24, 2008 compared with \$5.0 million for the quarter ended September 26, 2007 due to the factors noted above.

Three Quarters Ended September 24, 2008 Compared with Three Quarters Ended September 26, 2007

|   | Three Quarters Ended  |                       |
|---|-----------------------|-----------------------|
|   | September<br>24, 2008 | September<br>26, 2007 |
| Company-owned restaurants, beginning of period                          | 394                   | 521                   |
| Units opened  | 3                     | 3                     |
| Units acquired from franchisees   | —                     | 1                     |
| Units sold to franchisees   | (62)                  | (56)                  |
| Units closed  | (3)                   | (1)                   |
| End of period   | 332                   | 468                   |
| Franchised and licensed restaurants, beginning of period                | 1,152                 | 1,024                 |
| Units opened  | 19                    | 7                     |
| Units acquired by Company   | —                     | (1)                   |
| Units purchased from Company  | 62                    | 56                    |
| Units closed  | (27)                  | (15)                  |
| End of period   | 1,206                 | 1,071                 |
| Total company-owned, franchised and licensed restaurants, end of period | 1,538                 | 1,539                 |

Company Restaurant Operations

During the three quarters ended September 24, 2008, we incurred a 0.9% decrease in same-store sales, comprised of a 6.3% increase in guest check average and a 6.7% decrease in guest counts. Company restaurant sales decreased \$157.5 million, or 24.2%, primarily resulting from a 136 equivalent-unit decrease in company-owned restaurants. The decrease in equivalent-units primarily resulted from the sale of company-owned restaurants to franchisees as part of our Franchise Growth Initiative.

Total costs of company restaurant sales as a percentage of company restaurant sales decreased to 87.8% from 88.4%. Product costs decreased to 24.3% from 25.7% due to favorable shifts in menu mix. Payroll and benefits increased to 42.2% from 42.0% primarily as a result of increased workers compensation, group insurance and management staffing costs, offset by a decrease in restaurant staffing related to improved scheduling. Occupancy costs increased to 6.1% from 6.0%. Other operating expenses were comprised of the following amounts and percentages of company restaurant sales:

|                          | Three Quarters Ended   |       |                    |       |
|--------------------------|------------------------|-------|--------------------|-------|
|                          | September 24, 2008     |       | September 26, 2007 |       |
|                          | (Dollars in thousands) |       |                    |       |
| Utilities                | \$ 25,484              | 5.2%  | \$ 31,755          | 4.9%  |
| Repairs and maintenance  | 10,959                 | 2.2%  | 14,179             | 2.2%  |
| Marketing                | 16,911                 | 3.4%  | 21,823             | 3.3%  |
| Legal                    | 1,570                  | 0.3%  | 3,095              | 0.5%  |
| Other direct costs       | 20,398                 | 4.1%  | 25,085             | 3.8%  |
| Other operating expenses | \$ 75,322              | 15.3% | \$ 95,937          | 14.7% |

The overall decrease in other operating expenses primarily results from the sale of company-owned restaurants to franchisees. As a percentage of company restaurant sales, other direct costs in fiscal 2007 benefited from \$0.6 million

of insurance proceeds resulting from income lost due to hurricanes.

#### Franchise Operations

Franchise and license revenue and costs of franchise and license revenue were comprised of the following amounts and percentages of franchise and license revenue for the periods indicated:

|  | Three Quarters Ended   |        |                    |        |
|--|------------------------|--------|--------------------|--------|
|  | September 24, 2008     |        | September 26, 2007 |        |
|  | (Dollars in thousands) |        |                    |        |
| Royalties                              | \$ 51,782              | 63.1%  | \$ 47,098          | 69.1%  |
| Initial fees                           | 3,639                  | 4.4%   | 2,956              | 4.3%   |
| Occupancy revenue                      | 26,688                 | 32.5%  | 18,139             | 26.6%  |
| Franchise and license revenue          | 82,109                 | 100.0% | 68,193             | 100.0% |
| Occupancy costs                        | 20,761                 | 25.3%  | 14,632             | 21.4%  |
| Other direct costs                     | 4,687                  | 5.7%   | 5,634              | 8.3%   |
| Costs of franchise and license revenue | \$ 25,448              | 31.0%  | \$ 20,266          | 29.7%  |

Royalties increased by \$4.7 million, or 9.9%, primarily resulting from a 141 equivalent-unit increase in franchised and licensed units, as compared to the prior year period, offset by the effects of a 3.6% decrease in same-store sales. The increase in equivalent-units resulted from the sale of company-owned restaurants to franchisees. The increase in occupancy revenue of \$8.5 million, or 47.1%, is also primarily the result of the sale of company-owned restaurants to franchisees.

Costs of franchise and license revenue increased by \$5.2 million, or 25.6%. The increase in occupancy costs of \$6.1 million, or 41.9%, is primarily the result of the sale of company-owned restaurants to franchisees. Other direct costs benefited by \$0.9 million, or 16.8%, primarily as a result of the reorganization of the field management structure that occurred in the third quarter of 2007. As a percentage of franchise and license revenue, costs of franchise and license revenue increased to 31.0% for the three quarters ended September 24, 2008, as compared to 29.7% for the three quarters ended September 26, 2007.

## Other Operating Costs and Expenses

General and administrative expenses are comprised of the following:

|   | Three Quarters Ended  |                       |
|---|-----------------------|-----------------------|
|   | September<br>24, 2008 | September<br>26, 2007 |
|   | (In thousands)        |                       |
| Share-based compensation                  | \$ 2,511              | \$ 3,000              |
| General and administrative expenses       | 43,535                | 46,067                |
| Total general and administrative expenses | \$ 46,046             | \$ 49,067             |

The decrease in share-based compensation expense is primarily due to the adjustment of the liability classified restricted stock units to fair value as of September 24, 2008. The \$2.5 million decrease in general and administrative expenses is due primarily to the reorganization to support our ongoing transition to a franchise-focused business model.

Depreciation and amortization is comprised of the following:

|   | Three Quarters Ended  |                       |
|---|-----------------------|-----------------------|
|   | September<br>24, 2008 | September<br>26, 2007 |
|   | (In thousands)        |                       |
| Depreciation of property and equipment      | \$ 23,247             | \$ 28,860             |
| Amortization of capital lease assets        | 2,542                 | 3,605                 |
| Amortization of intangible assets           | 4,321                 | 5,010                 |
| Total depreciation and amortization expense | \$ 30,110             | \$ 37,475             |

The overall decrease in depreciation and amortization expense is due primarily to the sale of company-owned restaurants to franchisees during fiscal 2007 and 2008.

Operating gains, losses and other charges, net are comprised of the following:

|  | Three Quarters Ended  |                       |
|--|-----------------------|-----------------------|
|  | September<br>24, 2008 | September<br>26, 2007 |
|  | (In thousands)        |                       |
| Gains on sales of assets and other, net        | \$ (18,214)           | \$ (20,841)           |
| Restructuring charges and exit costs           | 7,506                 | 5,531                 |
| Impairment charges                             | 728                   | 420                   |
| Operating gains, losses and other charges, net | \$ (9,980)            | \$ (14,890)           |

During the three quarters ended September 24, 2008, we recognized \$15.4 million of gains on the sale of 62 restaurant operations to 17 franchisees for net proceeds of \$30.2 million compared to \$15.3 million of gains on the sale of 56 restaurant operations to 12 franchisees for net proceeds of \$30.6 million during the prior year period. The remaining gains for the two periods resulted from the sale of real estate related to closed restaurants and restaurants operated by franchisees and the recognition of deferred gains.

Restructuring charges and exit costs were comprised of the following:

Three Quarters Ended

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|   | September<br>24, 2008 | September<br>26, 2007 |
|---|-----------------------|-----------------------|
|   | (In thousands)        |                       |
| Exit costs                                | \$ 2,476              | \$ 1,011              |
| Severance and other restructuring charges | 5,030                 | 4,520                 |
| Total restructuring and exit costs        | \$ 7,506              | \$ 5,531              |

During the three quarters ended September 24, 2008, we recognized \$5.0 million in severance and other restructuring charges related to a reorganization to support our ongoing transition to a franchise-focused business model. The reorganization led to the elimination of approximately 50 positions.

Operating income was \$50.5 million for the three quarters ended September 24, 2008 compared with \$51.8 million for the three quarters ended September 26, 2007.

Interest expense, net is comprised of the following:

|  | Three Quarters Ended  |                       |
|--|-----------------------|-----------------------|
|  | September<br>24, 2008 | September<br>26, 2007 |
|  | (In thousands)        |                       |
| Interest on senior notes                 | \$ 13,089             | \$ 13,089             |
| Interest on credit facilities            | 7,197                 | 12,724                |
| Interest on capital lease liabilities    | 2,847                 | 2,959                 |
| Letters of credit and other fees         | 1,495                 | 1,755                 |
| Interest income                          | (732)                 | (1,073)               |
| Total cash interest                      | 23,896                | 29,454                |
| Amortization of deferred financing costs | 827                   | 886                   |
| Interest accretion on other liabilities  | 2,122                 | 2,443                 |
| Total interest expense, net              | \$ 26,845             | \$ 32,783             |

The decrease in interest expense resulted primarily from the repayment of \$15.9 million and \$100.3 million on the credit facilities during 2008 and 2007, respectively.

Other nonoperating expenses, net were \$4.4 million for the three quarters ended September 24, 2008 compared with other nonoperating income of \$0.4 million for the three quarters ended September 26, 2007. Approximately \$3.1 million of the increase in other nonoperating expense resulted from the discontinuance of hedge accounting related to the interest rate swap. The \$3.1 million increase is comprised of a \$2.2 million change in the fair value of the swap and \$0.9 million of amortization of losses included in accumulated other comprehensive income.

The provision for income taxes was \$1.4 million and \$2.8 million for the three quarters ended September 24, 2008 and September 26, 2007, respectively. The provision for income taxes for the three quarters of 2008 and 2007 was determined using our effective rate estimated for the entire fiscal year. The three quarters ended September 24, 2008 also included the recognition of \$0.6 million of current tax benefits. This item resulted from the enactment of certain federal laws that benefited us during the third quarter of 2008. The three quarters ended September 26, 2007 also included the recognition of \$0.3 million of current tax benefits and a \$0.6 million reduction to the valuation allowance. These items resulted from the enactment of certain federal and state laws that benefited us during the second quarter of 2007. We have provided valuation allowances related to any benefits from income taxes resulting from the application of a statutory tax rate to our net operating losses (“NOL”) generated in previous periods. In addition, during 2008 and 2007, we utilized certain federal and state NOL carryforwards whose valuation allowances were established in connection with fresh start reporting on January 7, 1998. Accordingly, for the three quarters ended September 24, 2008 and September 26, 2007, we recognized approximately \$0.0 million and \$2.9 million, respectively, of federal and state deferred tax expense with a corresponding reduction to the goodwill that was recorded in connection with fresh start reporting on January 7, 1998. The reduction in our effective tax rate for the three quarters ended September 24, 2008, as compared to the three quarters ended September 26, 2007, was due primarily to the utilization of federal net operating loss carryforwards during 2007 from periods prior to fresh start reporting on January 7, 1998. These federal net operating loss carryforwards were fully utilized during fiscal 2007. We still have certain state net operating loss carryforwards from periods prior to fresh start reporting that have been utilized in both fiscal 2007 and 2008.

Net income was \$17.8 million for the three quarters ended September 24, 2008 compared with \$16.6 million for the three quarters ended September 26, 2007 due to the factors noted above.

#### Liquidity and Capital Resources

Our primary sources of liquidity and capital resources are cash generated from operations, borrowings under our Credit Facility (as defined in Note 7) and, in recent years, cash proceeds from the sale of surplus properties and sales of restaurant operations to franchisees. Principal uses of cash are operating expenses, capital expenditures and debt repayments.

The following table presents a summary of our sources and uses of cash and cash equivalents for the periods indicated:

|  | Three Quarters Ended  |                       |
|--|-----------------------|-----------------------|
|  | September<br>24, 2008 | September<br>26, 2007 |
|  | (In thousands)        |                       |
| Net cash provided by operating activities            | \$ 7,954              | \$ 35,444             |
| Net cash provided by investing activities            | 10,218                | 14,002                |
| Net cash used in financing activities                | (18,315)              | (46,597)              |
| Net increase (decrease) in cash and cash equivalents | \$ (143)              | \$ 2,849              |

The decrease in operating cash flows primarily resulted from the runoff of working capital deficit following the sale of restaurant operations to franchisees and the timing of certain operating expense payments. We believe that our estimated cash flows from operations for 2008, combined with our capacity for additional borrowings under our credit facility, will enable us to meet our anticipated cash requirements and fund capital expenditures over the next twelve months.

Net cash flows provided by investing activities were \$10.2 million for the three quarters ended September 24, 2008. These cash flows primarily represent net proceeds of \$31.4 million on sales of restaurant operations to franchisees, real estate related to restaurants operated by franchisees and other assets. The proceeds were offset by capital

expenditures of \$25.7 million for the three quarters ended September 24, 2008, of which \$4.5 million was financed through capital leases. Our principal capital requirements have been largely associated with the maintenance of our existing company-owned restaurants and facilities, new construction, remodeling and our strategic initiatives, as follows:

|   | Three Quarters Ended  |                       |
|---|-----------------------|-----------------------|
|   | September<br>24, 2008 | September<br>26, 2007 |
|   | (In thousands)        |                       |
| Facilities                                  | \$ 7,393              | \$ 9,417              |
| New construction                            | 4,567                 | 5,533                 |
| Remodeling                                  | 6,434                 | 3,288                 |
| Strategic initiatives                       | 2,502                 | 24                    |
| Other                                       | 277                   | 545                   |
| Total capital expenditures                  | 21,173                | 18,807                |
| Acquisitions                                | —                     | 2,208                 |
| Total capital expenditures and acquisitions | \$ 21,173             | \$ 21,015             |

Cash flows used in financing activities were \$18.3 million for the three quarters ended September 24, 2008, which included \$14.8 million of prepayments and \$4.4 million of scheduled debt payments made through a combination of asset sale proceeds, as noted above, and surplus cash.

Our credit facility consists of a \$50 million revolving credit facility (including up to \$10 million for a revolving letter of credit facility), a \$136.7 million term loan and an additional \$37 million letter of credit facility. At September 24, 2008 we had outstanding letters of credit of \$35.4 million (comprised of \$35.2 million under our letter of credit facility and \$0.2 million under our revolving facility). There were no revolving loans outstanding at September 24, 2008. These balances result in availability of \$1.8 million under our letter of credit facility and \$49.8 million under the revolving facility.

The revolving facility matures on December 15, 2011. The term loan and the \$37 million letter of credit facility mature on March 31, 2012. The term loan amortizes in equal quarterly installments at a rate equal to approximately 1% per annum with all remaining amounts due on the maturity date. The credit facility is available for working capital, capital expenditures and other general corporate purposes. We will be required to make mandatory prepayments under certain circumstances (such as required payments related to asset sales) typical for this type of credit facility and may make certain optional prepayments under the credit facility.

The credit facility is guaranteed by Denny's Corporation and its other subsidiaries and is secured by substantially all of the assets of Denny's and its subsidiaries. In addition, the credit facility is secured by first-priority mortgages on 118 company-owned real estate assets. The credit facility contains certain financial covenants (i.e., maximum total debt to EBITDA (as defined under the credit facility) ratio requirements, maximum senior secured debt to EBITDA ratio requirements, minimum fixed charge coverage ratio requirements and limitations on capital expenditures), negative covenants, conditions precedent, material adverse change provisions, events of default and other terms, conditions and provisions customarily found in credit agreements for facilities and transactions of this type. We were in compliance with the terms of the credit facility as of September 24, 2008.

As of September 24, 2008, interest on loans under the revolving facility is payable at per annum rates equal to LIBOR plus 250 basis points and will adjust over time based on our leverage ratio. Interest on the term loan and letter of credit facility is payable at per annum rates equal to LIBOR plus 200 basis points. Prior to considering the impact of the interest rate swap, the weighted-average interest rate under the term loan was 4.8% as of September 24, 2008.



Our working capital deficit was \$58.3 million at September 24, 2008 compared with \$73.6 million at December 26, 2007. We are able to operate with a substantial working capital deficit because (1) restaurant operations and most food service operations are conducted primarily on a cash (and cash equivalent) basis with a low level of accounts receivable, (2) rapid turnover allows a limited investment in inventories, and (3) accounts payable for food, beverages and supplies usually become due after the receipt of cash from the related sales.

#### Implementation of New Accounting Standards

See Notes 2 and 15 to our Condensed Consolidated Financial Statements.

### Item 3. Quantitative and Qualitative Disclosures About Market Risk

#### Interest Rate Risk

We have exposure to interest rate risk related to certain instruments entered into for other than trading purposes. Specifically, borrowings under the term loan and revolving credit facility bear interest at variable rates based on LIBOR plus a spread of 200 basis points per annum for the term loan and letter of credit facility and 250 basis points per annum for the revolving credit facility.

During the second quarter of fiscal 2007, we entered into an interest rate swap with a notional amount of \$150 million to hedge a portion of the cash flows of our variable rate debt. The interest rate swap economically hedges our exposure to variability in future cash flows attributable to interest payments on the first \$150 million of floating rate debt. Under the terms of the swap, through March 26, 2008, we paid a fixed rate of 4.8925% on the \$150 million notional amount and received payments from the counterparties based on the 3-month LIBOR rate for a term ending on March 30, 2010, effectively resulting in a fixed rate of 6.8925% on the \$150 million notional amount. On March 26, 2008, we terminated \$50 million of the notional amount of the interest rate swap. As of September 24, 2008, the swap effectively increases our ratio of fixed rate debt from approximately 56% of total debt to approximately 88% of total debt.

Based on the levels of borrowings under the credit facility at September 24, 2008, if interest rates changed by 100 basis points our annual cash flow and income before income taxes would change by approximately \$0.4 million. This computation is determined by considering the impact of hypothetical interest rates on the variable rate portion of the credit facility at September 24, 2008. However, the nature and amount of our borrowings under the credit facility may vary as a result of future business requirements, market conditions and other factors.

Our other outstanding long-term debt bears fixed rates of interest. The estimated fair value of our fixed rate long-term debt (excluding capital lease obligations and revolving credit facility advances) was approximately \$161.4 million, compared with a book value of \$175.4 million at September 24, 2008. This computation is based on market quotations for the same or similar debt issues or the estimated borrowing rates available to us. Specifically, the difference between the estimated fair value of long-term debt compared with its historical cost reported in our consolidated balance sheets at September 24, 2008 relates primarily to market quotations for our Denny's Holdings, Inc. 10% Senior Notes due 2012.

We also have exposure to interest rate risk related to our pension plan, other defined benefit plans and self-insurance liabilities. A 25 basis point increase or decrease in discount rate would decrease or increase our projected benefit obligation related to our pension plan and other defined benefit plans by \$1.7 million and \$0.1 million, respectively, and impact our net periodic benefit cost related to our pension plan by \$0.1 million. The impact of a 25 basis point increase or decrease in discount rate on periodic benefit costs related to our other defined benefit plans would be less than \$0.1 million. A 25 basis point increase or decrease in discount rate related to our self-insurance liabilities would result in a decrease or increase of \$0.2 million, respectively.

## Commodity Price Risk

We purchase certain food products such as beef, poultry, pork, eggs and coffee, and utilities such as gas and electricity, which are affected by commodity pricing and are, therefore, subject to price volatility caused by weather, production problems, delivery difficulties and other factors that are outside our control and which are generally unpredictable. Changes in commodity prices affect us and our competitors generally and often simultaneously. In general, we purchase food products and utilities based upon market prices established with vendors. Although many of the items purchased are subject to changes in commodity prices, the majority of our purchasing arrangements are structured to contain features that minimize price volatility by establishing fixed pricing and/or price ceilings and floors. We use these types of purchase arrangements to control costs as an alternative to using financial instruments to hedge commodity prices. We have determined that our purchasing agreements do not qualify as derivative financial instruments or contain embedded derivative instruments. In many cases, we believe we will be able to address commodity cost increases which are significant and appear to be long-term in nature by adjusting our menu pricing or changing our product delivery strategy. However, competitive circumstances could limit such actions and, in those circumstances, increases in commodity prices could lower our margins. Because of the often short-term nature of commodity pricing aberrations and our ability to change menu pricing or product delivery strategies in response to commodity price increases, we believe that the impact of commodity price risk is not significant.

We have established a policy to identify, control and manage market risks which may arise from changes in interest rates, commodity prices and other relevant rates and prices. We do not enter into financial instruments for trading or speculative purposes.

### Item 4. Controls and Procedures

As required by Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended, (the "Exchange Act") our management conducted an evaluation (under the supervision and with the participation of our President and Chief Executive Officer, Nelson J. Marchioli, and our Executive Vice President, Growth Initiatives, Chief Administrative Officer and Chief Financial Officer, F. Mark Wolfinger) as of the end of the period covered by this report, of the effectiveness of our disclosure controls and procedures as defined in Rule 13a-15(e) under the Exchange Act. Based on that evaluation, Messrs. Marchioli and Wolfinger each concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and is accumulated and communicated to our management, including our principal executive officer and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

There have been no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) of the Exchange Act that occurred during our last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

There are various claims and pending legal actions against or indirectly involving us, including actions concerned with civil rights of employees and guests, other employment related matters, taxes, sales of franchise rights and businesses and other matters. Based on our examination of these matters and our experience to date, we have recorded our best estimate of legal and financial liabilities, if any, with respect to these matters. However, the ultimate disposition of these matters cannot be determined with certainty.

Item 1A. Risk Factors

Risks that could have a negative impact on our business, revenues and performance results include risks associated with the following:

- Our business may be adversely affected by changes in consumer tastes, economic conditions, demographic trends, bad publicity, regional weather conditions and increased supply and labor costs
- Our growth strategy, including the Franchise Growth Initiative and Market Growth Incentive Plan, depends on our ability and that of our franchisees to open new restaurants. Delays or failures in opening new restaurants could materially and adversely affect our planned growth.
- A majority of Denny's restaurants are owned and operated by independent franchisees, and as a result the financial performance of franchisees can negatively impact our business.

A more detailed description of each of these risk factors can be found under the caption "Risk Factors" in our Annual Report on Form 10-K for the year ended December 26, 2007. We encourage you to read these risk factors in their entirety. Other factors may also exist that we cannot anticipate or that we do not consider to be significant based on information that is currently available.

Item 6. Exhibits

a. The following are included as exhibits to this report:

| Exhibit No. | Description  |
|-------------|--|
| 10.1        | Form of Performance-Based Restricted Stock Unit Award Certificate.   |
| 10.2        | 2008 Performance Restricted Stock Unit Program Description.  |
| 31.1        | Certification of Nelson J. Marchioli, President and Chief Executive Officer of Denny's Corporation, pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.  |
| 31.2        | Certification of F. Mark Wolfinger, Executive Vice President, Growth Initiatives, Chief Administrative Officer and Chief Financial Officer of Denny's Corporation, pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.1        | Certification of Nelson J. Marchioli, President and Chief Executive Officer of Denny's Corporation and F. Mark Wolfinger, Executive Vice President, Growth Initiatives, Chief  |

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Administrative Officer and Chief Financial Officer of Denny's Corporation, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

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

DENNY'S CORPORATION

Date: October 28, 2008

By: /s/ F. Mark Wolfinger  
F. Mark Wolfinger  
Executive Vice President,  
Growth Initiatives,  
Chief Administrative Officer and  
Chief Financial Officer

Date: October 28, 2008

By: /s/ Jay C. Gilmore  
Jay C. Gilmore  
Vice President,  
Chief Accounting Officer and  
Corporate Controller