

Chappell Dale  
Form 4  
November 26, 2008

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Black Horse Capital Advisors LLC

2. Issuer Name and Ticker or Trading Symbol  
MORGANS FOODS INC [MRFD]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
338 S. SHARON AMITY RD.,  
#202,

3. Date of Earliest Transaction  
(Month/Day/Year)  
11/24/2008

\_\_\_ Director \_\_\_X\_\_\_ 10% Owner  
\_\_\_ Officer (give title below) \_\_\_ Other (specify below)

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
\_\_\_ Form filed by One Reporting Person  
\_X\_ Form filed by More than One Reporting Person

CHARLOTTE, NC 28211

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  | Code                           | V   | Amount  | (A) or (D)   | Price                             |
| Common Stock                    | 11/24/2008                           |  | S                              |   | 430   | D  | \$ 1.55                           |
|                                 |                                      |  |                                |   |   |  | 46,584                            |
|                                 |                                      |  |                                |   |   |  | D (1) (4)                         |
| Common Stock                    | 11/24/2008                           |  | S                              |   | 1,664   | D  | \$ 1.55                           |
|                                 |                                      |  |                                |   |   |  | 208,332                           |
|                                 |                                      |  |                                |   |   |  | D (2) (4)                         |
| Common Stock                    | 11/24/2008                           |  | S                              |   | 706   | D  | \$ 1.55                           |
|                                 |                                      |  |                                |   |   |  | 72,033                            |
|                                 |                                      |  |                                |   |   |  | D (3) (4)                         |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control**

SEC 1474  
(9-02)

number.

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Beneficially Owned (Instr. 5) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title                                      | Amount or Number of Shares                                       |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |         |       |
|---|---------------|-----------|---------|-------|
|   | Director      | 10% Owner | Officer | Other |
| Black Horse Capital Advisors LLC<br>338 S. SHARON AMITY RD., #202<br>CHARLOTTE, NC 28211  |               | X         |         |       |
| Black Horse Capital Offshore Ltd.<br>C/O M&C CORPORATE SERVICES, PO BOX 30UGL<br>UGLAND HOUSE, SOUTH CHURCH STREET<br>GEORGE TOWN, GRAND CAYMAN, E9 00000 |               | X         |         |       |
| BLACK HORSE CAPITAL LP<br>338 S. SHARON AMITY RD., #202<br>CHARLOTTE, NC 28211  |               | X         |         |       |
| BLACK HORSE CAPITAL QP L P<br>338 S. SHARON AMITY RD., #202<br>CHARLOTTE, NC 28211  |               | X         |         |       |
| Black Horse Capital Management LLC<br>338 S. SHARON AMITY RD., #202<br>CHARLOTTE, NC 28211  |               | X         |         |       |
| Sheehy Brian<br>338 S. SHARON AMITY RD., #202<br>CHARLOTTE, NC 28211  |               | X         |         |       |
| Chappell Dale<br>338 S. SHARON AMITY RD., #202<br>CHARLOTTE, NC 28211   |               | X         |         |       |

## Signatures

|  |            |
|--|------------|
| Dale Chappell, Managing Member of Black Horse Capital Advisors LLC   | 11/26/2008 |
| **Signature of Reporting Person  | Date       |
| Dale Chappell, Managing Member of Black Horse Capital Management LLC   | 11/26/2008 |
| **Signature of Reporting Person  | Date       |
| Dale Chappell, Managing Member of Black Horse Capital Management LLC, General Partner of Black Horse Capital LP      | 11/26/2008 |
| **Signature of Reporting Person  | Date       |
| Dale Chappell, Managing Member of Black Horse Capital Management LLC, General Partner of Black Horse Capital (QP) LP | 11/26/2008 |
| **Signature of Reporting Person  | Date       |
| Dale Chappell, Director of Black Horse Capital Offshore Ltd.   | 11/26/2008 |
| **Signature of Reporting Person  | Date       |
| Dale Chappell  | 11/26/2008 |
| **Signature of Reporting Person  | Date       |
| Brian Sheehy   | 11/26/2008 |
| **Signature of Reporting Person  | Date       |

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
  - (1) Represents shares of common stock directly owned by Black Horse Capital Offshore Ltd. (the "Black Horse Offshore Fund") after the transactions reported in this Form 4. Black Horse Capital Advisors LLC ("Black Horse Advisors") is the investment manager of Black Horse Offshore Fund and is deemed to indirectly beneficially own the shares of stock directly owned by Black Horse Offshore Fund.
  - (2) Represents shares of common stock directly owned by Black Horse Capital LP ("Black Horse Capital Fund") after the transactions reported in this Form 4. Black Horse Capital Management LLC ("Black Horse Management") is the managing general partner of Black Horse Capital Fund and is deemed to indirectly beneficially own the shares of stock directly owned by Black Horse Capital Fund.
  - (3) Represents shares of common stock directly owned by Black Horse Capital (QP) LP ("Black Horse QP Fund") after the transactions reported in this Form 4. Black Horse Management is the managing general partner of Black Horse QP Fund and is deemed to indirectly beneficially own the shares of stock directly owned by Black Horse QP Fund.
  - (4) Brian Sheehy and Dale Chappell are the managing members of each of Black Horse Advisors and Black Horse Management and are deemed to indirectly beneficially own the shares of stock beneficially owned by those entities. For purposes of this Form 4, Black Horse Advisors, Black Horse Management, and Messrs. Sheehy and Chappell disclaim ownership of the shares of common stock owned by the funds reporting on this Form 4 except to the extent of their pecuniary interest therein.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.