DARDEN RESTAURANTS INC
Form DEFC14A
September 09, 2014
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.   )

Filed by the Registrant x   Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

DARDEN RESTAURANTS, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which the transaction applies:
(2) Aggregate number of securities to which the transaction applies:
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(4) Proposed maximum aggregate value of transaction:
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¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:
(2) Form, Schedule or Registration Statement No.:
(3) Filing Party:
(4) Date Filed:

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September 9, 2014

Dear Shareholders:

On behalf of your Board of Directors, it is our pleasure to invite you to attend the 2014 Annual Meeting of Shareholders (the Annual Meeting) of Darden Restaurants, Inc. (the Company). We will hold the Annual Meeting on Friday, October 10, 2014, at 9:00 a.m., Eastern Daylight Time, at the JW Marriott Orlando Grande Lakes, 4040 Central Florida Parkway, Orlando, Florida 32837. All holders of our outstanding common shares as of the close of business on August 11, 2014, are entitled to vote at the meeting. The formal Notice of Annual Meeting of Shareholders and Proxy Statement are attached, and the matters to be acted upon by our shareholders are described in them. You should also have received a **BLUE** proxy card from Darden for voting and postage-paid return envelope. **BLUE** proxy cards are being solicited on behalf of your Board of Directors (the Board).

It is important that your shares be represented and voted at the Annual Meeting. After reading the attached Proxy Statement, please complete, date, sign and return the accompanying **BLUE** proxy card. Alternatively, you may vote electronically through the Internet or by telephone by following the instructions on your **BLUE** proxy card. If you hold your shares through an account with a broker, bank or other nominee, please follow the instructions you receive from the holder of record to vote your shares.

Your vote is important regardless of the number of shares you own, and your vote will be especially important at this year s Annual Meeting. As you may have heard, Starboard Value LP (Starboard) has notified the Company that Starboard intends to nominate a slate of twelve nominees for election as directors to your Board at the Annual Meeting in opposition to, and to replace all of, the nominees recommended by your Board. You may receive solicitation materials from Starboard, including opposition proxy statements and a white proxy card. We are not responsible for the accuracy of any information provided by or relating to Starboard or its nominees contained in solicitation materials filed or disseminated by or on behalf of Starboard or any other statements Starboard may make.

Your Board believes that its proposed board structure of four new, non-incumbent independent nominees, four continuing incumbent independent nominees and four nominees proposed by Starboard is in the best interests of Darden and its shareholders. Your Board recommends shareholders vote *FOR ALL* of the Board s director nominees listed in the Company s Proxy Statement under the section captioned PROPOSAL 1 ELECTION OF DIRECTORS using Darden s BLUE proxy card or voting instruction form and that shareholders disregard any proxy card and proxy solicitation materials that may be sent to you by Starboard. If you have previously submitted a white proxy card sent to you by Starboard, you can revoke that proxy and vote for your Board s nominees and on the other matters to be voted on at the Annual Meeting by using the enclosed BLUE proxy card. Only the latest validly executed proxy card that you submit will be counted.

The accompanying Notice of Annual Meeting of Shareholders and Proxy Statement contain details about the business to be conducted at the Annual Meeting. Please read these documents carefully. If you will need special assistance at the meeting because of a disability, please contact the Company s proxy solicitor, Innisfree M&A Incorporated (Innisfree), at the toll-free number included in this Proxy Statement.

Whether or not you plan to attend, it is important that your shares be represented and voted at the Annual Meeting. Please refer to the **BLUE** proxy card or the Proxy Statement for more information on how to vote your shares at the meeting.

Your vote is important. Thank you for your support.

Sincerely,

Charles A. Ledsinger, Jr.

Chairman of the Board of Directors

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Darden Restaurants, Inc.

1000 Darden Center Drive

Orlando, Florida 32837

NOTICE OF

2014 ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON OCTOBER 10, 2014

Time:	9:00 a.m., Eastern Daylight Time, on Friday, October 10, 2014.
Place:	JW Marriott Orlando Grande Lakes, 4040 Central Florida Parkway, Orlando, Florida 32837
Items of Business:	1. To elect twelve directors to serve until the next annual meeting of shareholders and until their successors are elected and qualified;
	2. To obtain advisory approval of the Company s executive compensation;
	3. To ratify the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending May 31, 2015;
	4. To vote on a management proposal to amend the Bylaws to provide for proxy access;
	5. To vote on two shareholder proposals described in the accompanying Proxy Statement, if properly presented at the meeting; and
	6. To transact such other business, if any, as may properly come before the meeting and any adjournment.
Who Can Vote:	You can vote at the Annual Meeting and any adjournment if you were a holder of record of our common stock at the close of business on August 11, 2014. Each share of common stock is entitled to one vote for each director nominee and one vote for each of the other proposals to be voted on. All

	shareholders are invited to attend, although only shareholders of record will be entitled to vote at the Annual Meeting.
Website:	**Important Notice Regarding the Availability of Proxy Materials for the Shareholders Meeting to be held on October 10, 2014:** The accompanying Proxy Statement and our 2014 Annual Report to Shareholders are available at *www.darden.com*.
Date of Mailing:	This Notice of 2014 Annual Meeting of Shareholders and the Proxy Statement are first being distributed or otherwise furnished to shareholders on or about September 9, 2014.

Your Board recommends that you vote *FOR ALL* of the director nominees listed in the Company s Proxy Statement for the Annual Meeting under the section captioned PROPOSAL 1 ELECTION OF DIRECTORS, *FOR* the advisory approval of the Company s executive compensation, *FOR* the ratification of the appointment of KPMG LLP as the Company s independent registered public accounting firm for the fiscal year ending May 31, 2015, *FOR* the proposal to amend the Bylaws to provide for proxy access and *AGAINST* the shareholder proposals regarding political contributions and lobbying disclosures, each as described in the Company s Proxy Statement for the Annual Meeting, if the shareholder proposals are properly presented for consideration at the Annual Meeting.

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Please note that Starboard has notified us that it intends to nominate a slate of twelve nominees for election as directors to your Board at the Annual Meeting in opposition to, and in order to replace all of, the nominees recommended by the Board. You may receive solicitation materials from Starboard, including opposition proxy statements and a white proxy card. We are not responsible for the accuracy of any information provided by or relating to Starboard or its nominees contained in solicitation materials filed or disseminated by or on behalf of Starboard or any other statements Starboard may make.

Your Board believes that its proposed board structure of four new, non-incumbent independent nominees, four continuing incumbent independent nominees and four nominees proposed by Starboard is in the best interests of Darden and its shareholders. Your Board recommends shareholders vote *FOR ALL* of the Board s director nominees listed in the Company s Proxy Statement under the section captioned PROPOSAL 1 ELECTION OF DIRECTORS using Darden s BLUE proxy card or voting instruction form and that shareholders disregard any proxy card and proxy solicitation materials that may be sent to you by Starboard. If you have previously submitted a white proxy card sent to you by Starboard, you can revoke that proxy and vote for your Board s nominees and on the other matters to be voted on at the Annual Meeting by using the enclosed BLUE proxy card. Only the latest validly executed proxy card that you submit will be counted.

Because your Board has nominated a slate of eight directors for the available twelve seats at the Annual Meeting, we expect that at least four nominees that were not nominated by the Board will be elected at the Annual Meeting. Starboard is the only shareholder that has notified the Company of its intention to nominate directors for election at the Annual Meeting by the applicable deadline. Therefore, your Board expects that at least four board seats will be filled by four of the Starboard nominees. Even if you submit your voting instructions *FOR ALL* of the Company s eight director nominees on the BLUE proxy card, at least four nominees that are nominated by Starboard will be elected as directors at the Annual Meeting. Your Board strongly urges you to vote *FOR ALL* eight of the nominees recommended by your Board.

To obtain directions to the Annual Meeting and vote in person, please call Innisfree toll-free at (877) 825-8631. Directions to the meeting location may also be found on our website (*www.darden.com*) on the Investors page under the Directions to the Meeting link.

By Order of the Board of Directors

Teresa M. Sebastian

Senior Vice President, General Counsel,

Chief Compliance Officer

and Corporate Secretary

September 9, 2014

YOUR VOTE IS IMPORTANT

YOU ARE STRONGLY URGED TO COMPLETE, DATE AND SIGN THE ACCOMPANYING BLUE PROXY CARD AND RETURN IT IN THE ENVELOPE PROVIDED AS PROMPTLY AS POSSIBLE, WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING. ALTERNATIVELY, SUBMIT YOUR VOTING INSTRUCTIONS ELECTRONICALLY VIA THE INTERNET OR TELEPHONICALLY. PLEASE SEE THE COMPANY S PROXY STATEMENT AND THE BLUE PROXY CARD FOR DETAILS ABOUT ELECTRONIC VOTING. IF YOU LATER DECIDE TO REVOKE YOUR PROXY FOR ANY REASON, YOU MAY DO SO IN THE MANNER DESCRIBED IN THE ATTACHED PROXY STATEMENT. IF YOU HOLD YOUR SHARES THROUGH AN ACCOUNT WITH A BROKER, BANK OR OTHER NOMINEE, PLEASE FOLLOW THE INSTRUCTIONS YOU RECEIVE FROM THE HOLDER OF RECORD TO VOTE YOUR SHARES.

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DARDEN RESTAURANTS, INC.

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DARDEN RESTAURANTS, INC.

PROXY STATEMENT FOR ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON OCTOBER 10, 2014

The Board of Directors (the Board) of Darden Restaurants, Inc. (Darden, the Company, we, us or our) is soliciting your proxy for use at t Annual Meeting of Shareholders to be held on October 10, 2014 (Annual Meeting). This Proxy Statement summarizes information concerning the matters to be presented at the meeting and related information that will help you make an informed vote at the meeting. This Proxy Statement and the proxy card are first being distributed or otherwise furnished to shareholders on or about September 9, 2014.

Holders of record of shares of common stock, no par value per share (the Common Stock), of the Company at the close of business on August 11, 2014, will be entitled to vote at the Annual Meeting. Each share of Common Stock will be entitled to one vote. As of August 11, 2014, there were 132,579,845 shares of Common Stock outstanding and entitled to vote at the Annual Meeting. There are no other voting securities of the Company outstanding.

If you are a registered shareholder, you can simplify your voting by using the Internet or calling a toll-free telephone number on the **BLUE** proxy card. You may also vote by signing, dating and returning the **BLUE** proxy card in the postage-paid envelope provided. If you beneficially hold your shares in street name through a broker, bank or other nominee, you will be able to vote using the **BLUE** voting instruction form provided to you by such nominee, and Internet and telephone voting may also be available per the instructions provided on such **BLUE** voting instruction form.

Proxies will be voted at the Annual Meeting in accordance with the specifications you make on the proxy card. If you sign the **BLUE** proxy card or submit a proxy by telephone or over the Internet and do not specify how your shares are to be voted, your shares will be voted in accordance with the recommendations of the Board. *See* **QUESTIONS AND ANSWERS ABOUT THE MEETING AND VOTING.**

Brokers are not permitted to vote your shares with respect to any proposals at the Annual Meeting without your instructions as to how to vote. Please instruct your broker how to vote your shares using the voting instruction form provided by your broker. Please return your completed BLUE proxy card or voting instruction form to your broker and contact the person responsible for your account so that your vote can be counted.

Please note that Starboard Value LP (Starboard) has notified the Company of its intent to nominate a slate of twelve nominees for election as directors at the Annual Meeting in opposition to the nominees recommended by the Board. You may receive solicitation materials from Starboard, including proxy statements and proxy cards. We are not responsible for the accuracy of any information provided by or relating to Starboard or its nominees contained in solicitation materials filed or disseminated by or on behalf of Starboard or any other statements Starboard may make.

Your Board believes that its proposed board structure of four new, non-incumbent independent nominees, four continuing incumbent independent nominees and four nominees proposed by Starboard is in the best interests of Darden and its shareholders. Your Board recommends shareholders vote *FOR ALL* of the Board s director nominees listed in the Company s Proxy Statement under the section captioned PROPOSAL 1 ELECTION OF DIRECTORS using Darden s BLUE proxy card or voting instruction form and that shareholders disregard any proxy card and proxy solicitation materials that

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may be sent to you by Starboard. If you have previously submitted a proxy card sent to you by Starboard, you can revoke that proxy and vote for your Board s nominees and on the other matters to be voted on at the Annual Meeting by using the enclosed BLUE proxy card.

If you have any questions or require any assistance with voting your shares, please contact our proxy solicitor at the contact listed below:

501 Madison Avenue, 20th Floor

New York, NY 10022

Shareholders call toll-free: (877) 825-8631

Banks and Brokers call collect: (212) 750-5833

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QUESTIONS AND ANSWERS ABOUT THE MEETING AND VOTING

When and where will the Annual Meeting be held?

The Annual Meeting will be held on Friday, October 10, 2014 at 9:00 a.m., Eastern Daylight Time, at JW Marriott Orlando Grande Lakes, 4040 Central Florida Parkway, Orlando, Florida 32837. The purposes of the Annual Meeting are set forth in the Notice of Annual Meeting of Shareholders to which this Proxy Statement is attached. All references in this Proxy Statement to the Company, we, us, or Darden refer Darden Restaurants, Inc.

Why am I receiving these proxy materials?

You have received these proxy materials because you are a holder of the Company s Common Stock and your Board is soliciting authority, or your proxy, to vote your shares at the Annual Meeting. These proxy materials were first sent or given on or about September 9, 2014 to holders of the Company s Common Stock as of the close of business on August 11, 2014 (the Record Date).

What is included in these proxy materials?

These proxy materials include:

- our 2014 Annual Report to Shareholders;
- the Notice of Annual Meeting of Shareholders;
- this Proxy Statement; and
- a **BLUE** proxy card solicited by the Board for use at the Annual Meeting.

Have other candidates been nominated for election as directors at the Annual Meeting in opposition to the Board s nominees?

Yes. Starboard, a shareholder of the Company, has notified the Company of Starboard s intent to nominate a slate of twelve nominees for election as directors at the Annual Meeting in opposition to the nominees recommended by the Board. Your Board believes that its proposed board structure of four new, non-incumbent independent nominees, four continuing incumbent independent nominees and four nominees proposed by Starboard is in the best interests of Darden and its shareholders. Your Board recommends shareholders vote ***FOR ALL*** of the Board s director nominees listed in the Company s Proxy Statement under the section captioned PROPOSAL 1 ELECTION OF DIRECTORS using Darden s **BLUE** proxy card or voting instruction form and that shareholders disregard any proxy card and proxy solicitation materials that may be sent to you by Starboard.

Who can vote at the Annual Meeting?

The only shares entitled to vote at the Annual Meeting are shares of Common Stock, with each share entitling the holder of record to one vote on all matters properly brought before the Annual Meeting. To be able to vote your shares at the Annual Meeting, the records of the Company must show that you held your shares as of the close of business on the Record Date. At the close of business on the Record Date, there were 132,579,845 shares of Common Stock outstanding.

How do I attend the Annual Meeting?

The Annual Meeting will be held on Friday, October 10, 2014, at 9:00 a.m., Eastern Daylight Time, at JW Marriott Orlando Grande Lakes, 4040 Central Florida Parkway, Orlando, Florida 32837. When you arrive, signs will direct you to the appropriate room. You should be prepared to present valid government-issued photo identification, such as a driver s license or passport, for admittance. In addition, if you are a shareholder of

record, your name will be verified against the list of shareholders of record prior to admittance to the Annual Meeting. If you are a beneficial owner, you must provide proof of beneficial ownership on the Record Date, such as your account statement showing that you owned our Common Stock as of August 11, 2014, a copy of the voting instruction form provided by your broker, bank or other nominee, or other similar evidence of ownership. If you do not provide valid government-issued photo identification and comply with the other procedures outlined above, you will not be admitted to the Annual Meeting. You do not need to attend the Annual Meeting to vote. Even if you plan to attend the Annual Meeting, please submit your vote in advance as instructed herein.

Please note that if you are unable to attend the Annual Meeting in person, you may attend and participate in the meeting, including submitting questions, via the Internet. Instructions on how to attend the virtual meeting will be made available to our shareholders at least two weeks prior to the Annual Meeting. Please note that beneficial holders planning to attend the Annual Meeting virtually must make arrangements with the holder of record, as may be appropriate, to ensure that such beneficial holders obtain a legal proxy in time to vote at the virtual meeting.

What is the difference between holding shares as a holder of record and as a beneficial owner?

If at the close of business on August 11, 2014 your shares were held in an account at a broker, bank, dealer, or other nominee or similar organization, then you are the beneficial owner of shares held in street name and the proxy materials, as applicable, are being forwarded to you by that organization. The organization holding your account is considered the shareholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to direct that organization on how to vote the shares in your account. If that organization is not given specific direction, shares held in the name of that organization may not be voted and will not be considered as present and entitled to vote on any matter to be considered at the Annual Meeting.

Under the rules that govern brokers who have record ownership of shares that they hold in street name for their clients who are the beneficial owners of the shares, brokers have the discretion to vote such shares on discretionary, or routine, matters but not on non-discretionary, or non-routine, matters. Broker non-votes generally occur when shares held by a broker nominee for a beneficial owner are not voted with respect to a proposal because the broker nominee has not received voting instructions from the beneficial owner and lacks discretionary authority to vote the shares. Brokers normally have discretion to vote on routine matters, such as the ratification of independent registered public accounting firms, but not on non-routine matters, such as director elections, proposals dealing with compensation issues, or shareholder proposals. We urge you to provide instructions to your broker so that your votes may be counted on these important matters. You should vote your shares by following the instructions provided on the **BLUE** voting instruction form and returning your **BLUE** voting instruction form to your broker to ensure that your shares are voted on your behalf.

How do I vote my shares?

You may vote your shares using one of the following methods:

Over the Internet. If you have access to the Internet, you can submit your proxy online by following the instructions included on your **BLUE** proxy card (or **BLUE** voting instruction form in the case of beneficial holders for whom Internet voting is available) for voting over the Internet.

By telephone. You can vote by calling a toll-free telephone number listed on the **BLUE** proxy card (or **BLUE** voting instruction form in the case of beneficial holders for whom telephone voting is available). Please refer to your **BLUE** proxy card or **BLUE** voting instruction form for instructions on voting by phone.

By mail. You may vote your shares by completing, signing, dating and returning the **BLUE** proxy card in the postage-paid envelope provided (or **BLUE** voting instruction form in the case of beneficial holders). Please refer to your **BLUE** proxy card or **BLUE** voting instruction form for instructions on voting by mail.

In person at the Annual Meeting. Shareholders are invited to attend the Annual Meeting and vote in person at the Annual Meeting. If you are a beneficial owner of shares, you must obtain a legal proxy from the broker, bank or other holder of record of your shares to be entitled to vote those shares in person at the meeting. Virtual attendance at the Annual Meeting will be considered attendance in person for purposes of Florida law.

A control number, located on the instruction sheet attached to the **BLUE** proxy card, is designated to verify your identity and allow you to vote your shares and confirm that your voting instructions have been recorded properly. If you vote via the Internet or by telephone, there is no need to return a signed **BLUE** proxy card. However, you may still vote by proxy by using the **BLUE** proxy card. The Florida Business Corporation Act provides that a shareholder may appoint a proxy by electronic transmission, so we believe that the Internet or telephone voting procedures available to shareholders are valid and consistent with the requirements of applicable law.

How do I vote if I participate in the Darden Savings Plan?

If you hold shares in the Darden Savings Plan, which includes shares held in the Darden Stock Fund in the 401(k) plan, the Employee Stock Ownership Plan and after-tax accounts, you will receive a separate voting instruction form for your shares in each plan you are a participant. If you do not submit timely voting instructions to the trustee on how to vote your shares, your Darden Savings Plan shares will be voted by the trustee in the same proportion that it votes shares in other Darden Savings Plan accounts for which it did receive timely voting instructions.

How can I revoke my proxy or change my vote?

If you are a registered shareholder, you may revoke your proxy at any time before it is actually voted at the Annual Meeting by giving notice of revocation to the Company in writing, by accessing the designated Internet site prior to the deadline for transmitting voting instructions electronically, by using the toll-free number stated on the **BLUE** proxy card or by attending the Annual Meeting and giving notice of revocation in person. You may also change your vote by choosing one of the following options: executing and returning to the Company a later-dated proxy card; submitting a later-dated vote through the designated Internet site or the toll-free telephone number stated on the **BLUE** proxy card; or voting at the Annual Meeting in person. Attending the Annual Meeting will not, by itself, revoke your proxy**.**

If you have previously submitted a white proxy card sent to you by Starboard, you can revoke that proxy and vote for the nominees proposed by the Board and on the other matters to be voted on at the Annual Meeting by using the enclosed BLUE proxy card. Only the latest validly executed proxy card that you submit will be counted.

If you hold your shares in street name, you must follow the instructions provided by your broker, bank or other nominee in order to revoke your previous instructions.

What should I do if I receive a proxy card from Starboard?

Please note that Starboard has notified us that it intends to nominate a slate of twelve nominees for election as directors to the Board at the Annual Meeting in opposition to the nominees recommended by the Board. The Company does not know whether Starboard will in fact nominate individuals for election as directors at the Annual Meeting or solicit proxies. You may receive solicitation materials from Starboard, including opposition proxy statements and a white proxy card. We are not responsible for the accuracy of any information provided by or relating to Starboard or its nominees contained in solicitation materials filed or disseminated by or on behalf of Starboard or any other statements Starboard may make.

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Your Board believes that its proposed board structure of four new, non-incumbent independent nominees, four continuing incumbent independent nominees and four nominees proposed by Starboard is in the best interests of Darden and its shareholders. Your Board recommends shareholders vote *FOR ALL* of the Board s director nominees listed in the Company s Proxy Statement under the section captioned PROPOSAL 1 ELECTION OF DIRECTORS using Darden s BLUE proxy card or voting instruction form and that shareholders disregard any proxy card and proxy solicitation materials that may be sent to you by Starboard. Voting to *WITHHOLD* with respect to any of Starboard s nominees on its proxy card is not the same as voting for the Board s nominees because a vote to *WITHHOLD* with respect to any of Starboard s nominees on its proxy card will revoke any proxy you previously submitted.

If you have already voted using the white proxy card, you have every right to change your vote by voting via the Internet or by telephone by following the instructions on the BLUE proxy card, or by completing and mailing the enclosed BLUE proxy card in the enclosed pre-paid envelope. Only the latest validly executed proxy that you submit will be counted, and any proxy may be revoked at any time prior to its exercise at the Annual Meeting by following the instructions under How can I revoke my proxy or change my vote? If you have any questions or require any assistance with voting your shares, please contact Innisfree toll-free at (877) 825-8631.

What does it mean if I receive more than one BLUE proxy card or voting instruction form?

It generally means your shares are registered differently or are in more than one account. Please provide voting instructions for each **BLUE** proxy card or, if you vote via the Internet or by telephone, vote once for each **BLUE** proxy card you receive to ensure that all of your shares are voted.

If Starboard proceeds with its previously announced alternative director nominations, you will likely receive multiple mailings from Starboard, and we will likely conduct multiple mailings prior to the date of the Annual Meeting so that shareholders have our latest proxy information and materials to vote. We will send you a new **BLUE** proxy card with each mailing, regardless of whether you have previously voted. Only the latest validly executed proxy card you submit will be counted. If you wish to vote as recommended by the Board, you should only submit the **BLUE** proxy card. Please see What should I do if I receive a proxy card from Starboard? above for more information.

Who is paying for the cost of this proxy solicitation?

The Company will pay the costs of preparing, assembling, printing and mailing this Proxy Statement, the accompanying **BLUE** proxy card and any other related materials and all other costs incurred in connection with the solicitation of proxies on behalf of the Board. Although the Company is soliciting proxies by mailing the proxy materials to shareholders, proxies may be solicited by directors, officers and employees of the Company and its subsidiaries by personal interview, mail, telephone, facsimile, email or otherwise. Such persons will not receive any fees or other compensation for such solicitation. The Company has retained Innisfree to aid in the solicitation of proxies for a fee not to exceed \$800,000 plus expenses. Innisfree estimates that approximately 75 of its employees will assist in this proxy solicitation. The Company s aggregate expenses related to the solicitation, including those of Innisfree, as well as for printing and mailing materials to shareholders, in excess of those normally spent for an annual meeting as a result of the potential proxy contest and excluding salaries and wages of our officers and regular employees, are expected to be approximately \$10-12 million, of which approximately \$3 million has been spent to date. The Company will reimburse its transfer agent, brokers, brokerage firms, broker/dealers, banks and other custodians, fiduciaries and nominees for their reasonable costs in sending proxy materials to shareholders who beneficially own our shares. Solicitations may also be made by personal interview, mail, telephone, facsimile, email, or otherwise by directors, officers, and other employees of the Company, but the Company will not additionally compensate its directors, officers, or other employees for these services. Appendix A sets forth information relating to certain of our directors, officers, and employees

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who are considered participants in this proxy solicitation under the rules of the Securities and Exchange Commission (SEC) by reason of their position or because they may be soliciting proxies on our behalf.

Are there any cumulative voting rights in the election of directors?

No.

What constitutes a quorum to hold and transact business at the Annual Meeting?

A majority of our outstanding Common Stock as of the Record Date must be present in person or by proxy at the meeting. This is called a quorum. Your shares are counted as present at the meeting if you are present and vote in person at the meeting or if you have properly returned a proxy by Internet, telephone or mail. Abstentions and broker non-votes also will be counted for purposes of establishing a quorum.

How are votes tabulated?

The results of shareholder voting will be tabulated by the independent inspectors of election appointed for the Annual Meeting.

What is the effect of an *ABSTAIN* vote?

Abstentions are considered to be present and entitled to vote with respect to each relevant proposal, but will not be considered a vote cast with respect to that proposal.

How will my shares be voted?

If you vote by mail, through the Internet, by telephone or in person, your shares of Common Stock will be voted as you direct.

If you sign and return your **BLUE** proxy card, but do not specify how your shares of Common Stock are to be voted, your shares of Common Stock will be voted, except in the case of broker non-votes, where applicable, as recommended by the Board.

We recommend that you vote on your **BLUE** proxy card as follows:

FOR ALL of the director nominees listed under the caption **PROPOSAL 1 ELECTION OF DIRECTORS** beginning on page 21;

FOR the approval of the advisory resolution on executive compensation, as described under the caption **PROPOSAL 2 ADVISORY APPROVAL OF THE COMPANY S EXECUTIVE COMPENSATION** beginning on page 27;

FOR the ratification of the appointment of KPMG LLP as the Company s independent registered public accounting firm for the fiscal year ending May 31, 2015, as described under the caption **PROPOSAL 3 RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM** beginning on page 28;

FOR the proposal to amend the Company s Bylaws to provide for proxy access, as described under the caption **PROPOSAL 4 AMENDMENT TO BYLAWS TO PROVIDE FOR PROXY ACCESS** beginning on page 29;

AGAINST the shareholder proposal described under the caption **PROPOSAL 5 SHAREHOLDER PROPOSAL REGARDING POLITICAL CONTRIBUTIONS** beginning on page 30; and

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AGAINST the shareholder proposal described under the caption **PROPOSAL 6 SHAREHOLDER PROPOSAL REGARDING LOBBYING DISCLOSURE** beginning on page 33.

We strongly urge you to discard any proxy card sent to you by Starboard.

How will voting on any other business be conducted?

We have not received proper notice of, and are not aware of, any business to be transacted at the Annual Meeting other than the proposals described in this Proxy Statement. If any other business is properly presented at the Annual Meeting, the proxies received will be voted on such matter in accordance with the discretion of the proxy holders.

What are the voting requirements for the proposals discussed in the Proxy Statement?

Proposal 1 Election of Directors

Starboard has notified us that it intends to nominate a slate of twelve nominees for election as directors to your Board at the Annual Meeting in opposition to the nominees recommended by your Board. Accordingly, only the nominees receiving the highest number of ***FOR*** votes will be elected at the Annual Meeting. Broker non-votes and abstentions will not be treated as votes cast.

In an uncontested election of directors, as in a contested election, the twelve nominees receiving the highest number of ***FOR*** votes will be elected. However, in an uncontested election, if a nominee for director does not receive at least a majority of the votes cast (*i.e.,* the votes cast for such nominee s election must exceed the votes cast against such nominee s election), the director will promptly tender his or her resignation to the Board. The Annual Meeting is expected to be contested on account of Starboard s competing nominations. The Board expects to adopt a majority voting election standard for application to uncontested elections beginning with the 2015 Annual Meeting of Shareholders.

Proposal 2 Advisory Approval of the Company s Executive Compensation

This advisory vote is non-binding but the Board and the Compensation Committee will give careful consideration to the results of voting on this proposal. The approval of the advisory resolution on executive compensation requires the affirmative vote of a majority in voting interest of the shareholders present in person or by proxy and voting thereon. Broker non-votes will not be treated as votes cast. Abstentions will not be counted as votes ***FOR*** or ***AGAINST*** the proposal.

Proposal 3 Ratification of Appointment of Independent Registered Public Accounting Firm

The ratification of the appointment of KPMG LLP as the Company s independent registered public accounting firm for the fiscal year ending May 31, 2015 requires the affirmative vote of a majority in voting interest of the shareholders present in person or by proxy and voting thereon. Abstentions will not be counted as votes ***FOR*** or ***AGAINST*** the proposal.

Proposal 4 Amendment to Bylaws to Provide for Proxy Access

The approval of the proposal described under the caption **PROPOSAL 4 AMENDMENT TO BYLAWS TO PROVIDE FOR PROXY ACCESS** requires the affirmative vote of a majority in voting interest of the shareholders present in person or by proxy and voting on the proposal. Abstentions and broker non-votes will not be counted as votes ***FOR*** or ***AGAINST*** this proposal.

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Proposal 5 Shareholder Proposal Regarding Political Contributions

The approval of the shareholder proposal described under the caption **PROPOSAL 5 SHAREHOLDER PROPOSAL REGARDING POLITICAL CONTRIBUTIONS** requires the affirmative vote of a majority in voting interest of the shareholders present in person or by proxy and voting on the proposal. Abstentions and broker non-votes will not be counted as votes ***FOR*** or ***AGAINST*** this shareholder proposal.

Proposal 6 Shareholder Proposal Regarding Lobbying Disclosure

The approval of the shareholder proposal described under the caption **PROPOSAL 6 SHAREHOLDER PROPOSAL REGARDING LOBBYING DISCLOSURE** requires the affirmative vote of a majority in voting interest of the shareholders present in person or by proxy and voting on the proposal. Abstentions and broker non-votes will not be counted as votes ***FOR*** or ***AGAINST*** this shareholder proposal.

Where do I find the voting results of the meeting?

We will publicly report voting results once they are available.

What should I do if I have other questions?

If you have any questions or require any assistance with voting your shares, please contact our proxy solicitor, Innisfree, toll-free at (877) 825-8631 (banks and brokers may call collect at (212) 750-5833).

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BACKGROUND OF THE STARBOARD SOLICITATION

On December 23, 2013, Starboard filed a Schedule 13D with the SEC (the Schedule 13D) disclosing a 5.6% interest in the Company. According to the Schedule 13D, Starboard acquired 71% of its interest in the Company in the two trading days after the Company s December 19, 2013 announcement of its comprehensive strategic plan at an average share price of $50.66.

Consistent with the Company s commitment to welcoming shareholder input toward the goal of enhancing shareholder value, members of the Company s management had the first discussion with representatives of Starboard on January 8, 2014 to discuss Starboard s views on the Company and its strategic alternatives.

On January 21, 2014, four weeks after Starboard acquired the bulk of its interest, Starboard delivered a letter to the Company s Chairman and CEO, Clarence Otis, Jr., and the Board, expressing Starboard s opposition to the Company s comprehensive strategic plan and support for an alternative transaction involving the Company s real estate and the possibility of a break-up of the Company s brands into two separate companies.

On January 29, 2014, as part of the Company s continued efforts to work constructively with its shareholders, including Starboard, to enhance shareholder value, the Company s management again met with representatives of Starboard at the Company s headquarters. During the meeting, management further discussed with Starboard its rationale for the Company s comprehensive strategic plan.

On February 10, 2014, Starboard delivered another letter to Mr. Otis and the Board, reiterating its opposition to the planned separation of Red Lobster from the Company. In the letter, Starboard announced that it was currently evaluating all options and that it was prepared to take all steps necessary to hold the Board accountable for its actions, including nominating a majority slate of director candidates and seeking the support of our fellow shareholders to replace a majority of the Board at the 2014 Annual Meeting. Starboard also reaffirmed its alternative plan for the Company, including the potential break-up of the Company s brands and assets.

On February 24, 2014, Starboard filed a preliminary consent solicitation statement with the SEC announcing its intent to solicit written requests from the Company s shareholders to demand the Company call a special meeting of the shareholders. At the same time, Starboard released an open letter to shareholders.

On March 3, 2014, the Company issued a press release and investor presentation titled Strategic Action Plan to Enhance Shareholder Value. Following the release, the Company held a conference call with analysts and investors to discuss the presentation and the Company s comprehensive strategic plan.

On March 10, 2014, the Company filed a Form 10 Registration Statement with the SEC in preparation for a potential spin-off of Red Lobster, which was being considered in conjunction with the Red Lobster sales process.

On March 12, 2014, Starboard delivered a letter to the Corporate Secretary requesting a shareholder list for the Company.

On March 18, 2014, the Company filed a preliminary revocation solicitation statement with the SEC opposing Starboard s Special Meeting consent solicitation.

On March 20, 2014, Starboard filed a definitive consent solicitation statement and sent a related letter to the Company s shareholders.

On March 25, 2014, our lead independent director, Chuck Ledsinger, spoke telephonically with Jeffrey C. Smith of Starboard. Discussions focused on Red Lobster, the value of the Company s real estate, various operational initiatives and the matters previously raised by Starboard in their public communications.

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On March 26, 2014, members of the Company s management met with representatives of Starboard at Starboard s offices in New York City.

On March 27, 2014, the Company sent a letter to shareholders providing them with the contact information for the Company s proxy solicitor and indicating that they would be receiving additional materials from the Company concerning the Special Meeting solicitation.

On March 31 and April 1, 2014, Starboard issued a press release and filed two investor presentations in support of its Special Meeting solicitation.

On April 1, 2014, the Company filed its definitive revocation solicitation statement with the SEC.

DEPRECIATION AND AMORTIZATION

61,614

12,789

GAIN (LOSS) FROM CONTINUING OPERATIONS

BEFORE INCOME TAXES AND INTEREST

(439,663

)

(116,361

)

OTHER INCOME(EXPENSES):

Interest income (expense)

(4,405

)

(53,852

)

GAIN (LOSS) FROM CONTINUING OPERATIONS

BEFORE INCOME TAXES

(444,068

)

(170,213

)

INCOME TAXES

—

—

GAIN (LOSS) FROM CONTINUING OPERATIONS

(444,068

)

(170,213

)

DISCONTINUED OPERATIONS

INCOME FROM OPERATIONS, net of tax

—

43,528

GAIN ON SALE OF OPERATIONS, net of tax

—

479,043

NET GAIN ON DISCONTINUED OPERATIONS

—

522,571

NET INCOME (LOSS) -

$

(444,068

)

$

352,358

LESS PREFERRED STOCK DIVIDEND

(156,450

)

(130,375

)

NET INCOME (LOSS) APPLICABLE TO COMMON SHARES

$

(600,518

)

$

221,983

INCOME (LOSS) PER COMMON SHARE – CONTINUING OPERATIONS:		
Basic	$ —	$ (0.03)
Diluted	$ —	$ (0.02)
INCOME (LOSS) PER COMMON SHARE – DISCONTINUED OPERATIONS:		
Basic	$ —	$ 0.10
Diluted	$ —	$ 0.06
INCOME (LOSS) PER COMMON SHARE:		
Basic	$ (0.08)	$ 0.04
Diluted	$ (0.08)	$ 0.03
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING: basic	7,784,066	5,120,504
diluted	7,784,066	8,383,004

See notes to financial statements.

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AMERICAN HOME FOOD PRODUCTS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended August 31, 2008 (Unaudited)	Three Months Ended August 31, 2007 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ (444,068)	$ 352,358
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and impairment of equipment	31,613	5,269
Dividends on preferred stock	—	—
Gain on Sale of intangible assets	—	(479,043)
Amortization of intangibles	30,000	4,943
Increase of other assets	(17,500)	
Preferred and common stock issued for services	156	—
Changes in assets and liabilities, net of the effect from acquisition:		
Accounts receivable	(1,069)	15,843
Royalty/Licensee receivable	—	30,845
Inventory	(20,824)	—
Prepaid expenses and other assets	(10,450)	—
Accounts payable	(32,652)	(394,146)
Accrued expenses and other current liabilities	(25,132)	429,499
Accrued payroll taxes	—	106,629
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(489,926)	72,197
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Artisanal, net of expenses	—	(3,192,911)
Purchase of fixed assets	(13,298)	—
Cash flow from investing activities of discontinued operations	0	863,747
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(13,298)	(2,329,164)
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES:		
Increase in notes payable	—	(105,697)
Payment of shareholder note	(38,312)	(197,747)
Sale of preferred stock	—	3,915,000
Payment of note payable	(40,159)	—
NET CASH PROVIDED BY FINANCING ACTIVITIES	(78,471)	3,611,556
NET INCREASE IN CASH	(581,695)	1,354,589

CASH AT BEGINNING OF YEAR	750,133	18,159
CASH AT END OF PERIOD	$ 168,438	$ 1,372,748
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest	$ —	$ 9,000
Income taxes	—	—
Non-cash financing activies:		
Common shares issued for services	2,500	—
Preferred shares issued for dividends	156,450	—
Seller financing for the purchase of Artisanal		1,200,000
Payables paid with issuance of equity	—	530,000
Artisanal liabilites assumed	$ —	$ 688,723

See notes to financial statements.

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AMERICAN HOME FOOD PRODUCTS, INC.

NOTES TO FINANCIAL STATEMENTS

THREE MONTHS ENDED AUGUST 31, 2008

(UNAUDITED)

1. BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements of American Home Food Products, Inc. (the "Company") have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation (consisting of normal recurring accruals) have been included. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Operating results expected for the three months ended August 31, 2008 are not necessarily indicative of the results that may be expected for the year ending May 31, 2009. For further information, refer to the financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the year ended May 31, 2008. Per share data for the periods are based upon the weighted average number of shares of common stock outstanding during such periods, plus net additional shares issued upon exercise of options and warrants.

2. ACQUISITIONS

On August 15, 2007, the Company acquired all right, title and interest to 100% of the issued and outstanding membership interests of Artisanal Cheese, LLC ("Artisanal"). The purchase price for this acquisition was approximately $4.4 million plus legal and other professional costs (the "Artisanal Acquisition"). Pursuant to the membership interest purchase agreement, the Company (i) paid $3,200,000 to the members of Artisanal Cheese, LLC, (ii) issued a note payable for $700,000 which bears no interest and was payable on or before November 14, 2007; (iii) issued a note payable for $130,000 which bears interest at 5% per annum and is payable over a three year period; (iv) issued a note payable for $370,000 which bears interest at 5% per annum and is payable over a three year period; and (v) issued a note payable to a former Artisanal shareholder for $228,000 payable in one year with payments due quarterly of $57,000 per quarter without interest, payable either in cash or product to one or more of the former shareholders restaurant establishments. As part of this transaction, the Company also entered into (vi) a five-year preferred vendor agreement with two restaurants which are affiliated with the seller; (vii) a five-year product development agreement with the same two restaurants; (viii) a trademark license agreement granting a royalty-free license to a former member of Artisanal Cheese, LLC, to utilize certain trademarks and names in connection with his restaurant establishments; (ix) a one-year consulting agreement with a former member of Artisanal Cheese, LLC; and (x) a transitional services agreement pursuant to which the company shall receive equipment and non-equipment services for one year and comptroller services for four months .

The operating results for Artisanal are included in the accompanying Consolidated Statements of Operations from the date of the acquisition.

The Company has recorded $96,500 of amortization on its intangibles to date.

Pro-forma operations as if the Artisanal Cheese LLC acquisition had been acquired for the recent fiscal year and the comparable prior year are as follows:

		Pro-forma Quarter ended August 31, 2007
Sales	$	1,089,940
Loss from continuing operations	$	(108,648)
Income to common shareholders	$	216,591

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its majority-owned subsidiaries. All material intercompany accounts and transactions have been eliminated on consolidation.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash equivalents include investments in money market funds and are stated at cost, which approximates market value. Cash at times may exceed FDIC insurable limits.

Trade Accounts Receivable and Other Receivables, Net

The Company’s accounts receivable consist primarily of amounts due from customers for the sale of its products. The Company records an allowance for doubtful accounts based on management’s estimate of collectability of such trade and notes receivables outstanding. The allowance for doubtful accounts represents an amount considered by management to be adequate to cover potential losses, if any. The recorded allowance at August 31, 2008 and May 31, 2008, was $1,128 and $1,800, respectively.

Revenue Recognition

The Company recognizes revenues associated with the sale of its products at the time of delivery to customers.

Advertising Costs

All advertising costs are expensed as incurred. Advertising expenses charge to operations for the three months ended August 31, 2008 was approximately $7,131.

Reclassifications

Certain reclassifications have been made to the prior quarter amounts presented to conform to the current period presentations.

Use of Estimates

The preparation of financials statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Stock-based Compensation

The Company accounts for stock-based compensation in accordance with SFAS No. 123-R Share-Based Payment (“SFAS No. 123-R”). The Company records compensation expense using a fair-value-based measurement method for all awards granted. In computing the impact, the fair value of each option is estimated on the date of grant based on the Black-Scholes options-pricing model utilizing certain assumptions for a risk free interest rate; volatility; and expected remaining lives of the awards. The assumptions used in calculating the fair value of share-based payment awards represent management’s best estimates, but these estimates involve inherent uncertainties and the application of management judgment. As a result, if factors change and the Company uses different assumptions, the Company’s stock-based compensation expense could be materially different in the future. In addition, the Company is required to estimate the expected forfeiture rate and only recognize expense for those shares expected to vest. In estimating the Company’s forfeiture rate, the Company analyzed its historical forfeiture rate, the remaining lives of unvested options, and the amount of vested options as a percentage of total options outstanding. If the Company’s actual forfeiture rate is materially different from its estimate, or if the Company reevaluates the forfeiture rate in the future, the stock-based compensation expense could be significantly different from what we have recorded in the current period. Equity-based compensation for the three months ended August 31, 2008 and 2007 was $27,938 and $0, respectively.

Net Income/(Loss) Per Share

In accordance with SFAS No. 128, “Earnings Per Share”, basic net income/(loss) per share is computed using the weighted average number of common shares outstanding during each period. For the three months ended August 31, 2008, diluted loss per share is the same as basic loss per share since the inclusion of stock options and warrants would be antidilutive. Options have been excluded in the amount of 770,000 for the three months ended August 31, 2008.

Fair Value of Financial Instruments

The carrying amounts of financial instruments, including cash and cash equivalents, marketable securities, accounts receivable, notes receivable, and accounts payable, approximated fair value as of August 31, 2008, because of the relatively short-term maturity of these instruments and their market interest rates. Since a portion of long-term debt is in default, it is not possible to estimate its value.

Recent Accounting Pronouncements

Any new accounting pronouncements issued but not yet effective have been deemed not to be relevant to the operations of the Company, hence the effects of such undisclosed new accounting pronouncements will have no effect on the Company.

4. ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

	August 31, 2008	May 31, 2008
Trade accounts receivable	$ 378,772	$ 378,639
Employees	2,137	1,935
	380,909	380,574
Less allowance for doubtful accounts	(1,128)	(1,863)
	$ 379,781	$ 378,711

5. INVENTORIES

Inventories are valued on a first-in-first-out (FIFO) basis. Inventories consisted of the following:

	August 31, 2008	May 31, 2008
Cheese Inventory	$ 333,709	$ 327,067

Shipping/Packing Material Inventory		55,973		38,592
Accessories & Books Inventory		39,710		41,352
Beverage		3,203		4,760
	$	432,595	$	411,771

6. PREPAID EXPENSES

At August 31, 2008, the Company's had prepaid expenses of $76,996, which consisted primarily of prepaid utility contracts of $12,126, marketing materials of $19,890, catalog costs of $13,121, and prepaid insurance of $26,722.

7. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

As of August 31, 2008, the Company had accrued expenses and other liabilities of $145,311 which consisted primarily of $38,124 for professional fees, $23,260 for accounting fees, $6,807 for commissions, $8,882 for prepaid cheese clubs and $68,238 for other various items. As of May 31, 2008, the Company had accrued expenses and other liabilities of $295,510 which consisted primarily of $113,000 in accrued liquidating damages, $33,760 for professional fees, $34,792 for accounting fees, $18,008 for commissions, $11,552 for prepaid cheese clubs and $84,398 for other various items.

8. ACCRUED PAYROLL TAXES

The Company prior to the acquisition of Artisanal remains in arrears with paying payroll taxes of approximately $650,000. The Company is currently negotiating a payment program with the relevant tax authorities.

9. SHAREHOLDERS' EQUITY

Preferred Stock Issuances

On August 31, 2008, the Company issued to preferred shareholders a total of 156,450 shares of preferred stock representing the preferred stock dividends through August 31, 2008.

Common Stock Issuances

Pursuant to a Registration Rights Agreement with each preferred shareholder, the Company agreed to file a registration statement with respect to the preferred shares issued and the number of common shares necessary to enable all holders to have resale rights in the common stock underlying their preferred stock if and when converted, or upon a redemption payable in common stock. As an inducement for the Company to undertake the registration process in a timely manner, the Registration Rights Agreement included a liquidated damage penalty if the Company failed to meet certain target dates or failed to register the shares altogether. The Company filed a registration statement in May 2008. In the meantime, recent amendments to Rule 144 have effectively shortened the holding periods for both non-affiliates and affiliates. Consequently, substantially all of the shares included in the Company's registration statement have become unrestricted and freely-tradeable, thereby obviating the need to pursue the Registration Statement any further. The registration statement was subsequently withdrawn. All costs relating to the registration statement have been borne by the Company. The Company has issued 347,668 shares of common stock to the preferred shareholders representing the liquidating damage penalty.

In July 2008, the Company issued 10,000 shares of common stock in exchange for the rights to the website name "Artisanalpremium.com". The company recorded an expense of $2,500 in connection with these shares.

Stock Option

No common stock options were issued during the three month period ended August 31, 2008.

10. RELATED PARTY TRANSACTIONS

The wife of Daniel W. Dowe, the Company's Chief Executive Officer and Chief Financial Officer, periodically provides legal and administrative services to the Company. For the quarter ended August 31, 2008, Ms. Dowe received $15,000 for legal and administrative work performed throughout the year for the Company. For the quarter ended August 31, 2007, Mrs. Dowe received $10,500 for legal and administrative work performed throughout the quarter and $25,000 for legal work relating to the closing of the Artisanal Cheese LLC transaction.

With respect to the foregoing transactions, the Company believes that the terms of these transactions were as fair to the Company as could be obtained from an unrelated third party. Future transactions with affiliates including loans will be on terms no less favorable than could be obtained from unaffiliated parties and will be approved by a majority of the independent disinterested members of the board of directors.

11. GAIN ON DISCONTINUED OPERATIONS

On August 15, 2007, the Company sold all of its intangible property relating to the building material business (“Por Rok intangibles”) to GT Holding, LLC (“GTH”). In exchange for these assets, the Company received $850,000 in cash and GTH assumed approximately $73,000 of the Company’s liabilities. This resulted in a gain from disposition of assets of the discontinued building material business in the amount of $ 479,043 for fiscal year 2008.

The prior year balance sheet, results of operations and cash flows for the Por Rok intangibles has been reclassified as discontinued operations.

Summarized results of the discontinued operations are as follows:

		Quarter ended August 31, 2007
Net Sales	$	52,039
Income/(loss) from operations		43,528
Gain on sale of operations		479,043
Net gain/(loss) on discontinued operations	$	522,571

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

The following discussion and analysis should be read in conjunction with the information contained in the Financial Statements and the Notes to the financial statements appearing elsewhere in this Form 10-Q. The Financial Statements for the three month period ending August 31, 2008, included in this Form 10-Q are unaudited; however, this information reflects all adjustments (consisting solely of normal recurring adjustments), which are, in the opinion of management, necessary to present a fair statement of the results for the interim period.

Results of Operations

Three Months ending August 31, 2008 v. August 31, 2007

In the three month period ended August 31, 2008, the Company had sales of $1,170,864 versus $167,111 in the corresponding three month period in 2007. Cost of goods sold in this period was $870,342 which was 74% versus 67% for the same period in 2007.

In this three month period, the Company recorded a net loss from operations of $444,068 versus a net loss of $170,213 for the same period in 2007. The net loss to common shareholders during this period 2008 was $600,518 versus a net income of $221,983 during the same period in 2007. Of the net loss, $156,450 was attributable to non-cash stock dividends paid to preferred shareholders during the first quarter in the form of new shares of preferred. In 2007, the Company generated a gain of $522,571 on the sale of its former intangible assets relating to the building material business and the discontinuation of its royalty-generating business. The net gain was attributable primarily to the sale of the Company's intangible assets relating to the building material business. In 2008, the Company incurred $4,405 in interest charges, which is attributable primarily to interest on long-term debt owed to the former members of Artisanal Cheese LLC. The Company also incurred $30,000 of amortization charges relating to the intangible assets and $31,614 of depreciation on the fixed assets.

On August 31, 2008, the Company had $1,057,810 in current liquid assets, which consisted primarily of cash of $168,438, inventory of $432,595 and accounts receivable of $379,871. The Company had leasehold improvements and equipment of $778,113 and intangibles of $3,817,513 net of amortization.

Liquidity and Financial Resources at August 31, 2008

As of August 31, 2008, the Company had $1,495,336 in current liabilities, which includes a residual balance of $17,168 on a $228,000 note providing for quarterly payments in kind to one of the former shareholders' restaurants. The Company had accounts payable of $621,590, accrued taxes of $650,377 and accrued expenses and other current liabilities totaling $145,311. The Company's current liabilities also include outstanding prepaid gift certificates and other deferred revenue totaling $60,890.

In the last fiscal year, the Company undertook a $5.2 million private placement of redeemable convertible preferred stock. By mid-August 2007, the company had raised $3,900,000 of equity for which it issued 3,900,000 shares of preferred stock. The Company used most of these funds to acquire the membership interests of Artisanal Cheese, LLC, for a purchase price of $4,400,000. The members agreed to accept cash of $3,200,000 and sellers' notes totaling $1,200,000. By mid-December 2007, the company had raised an additional $1,300,000 and reduced the seller's notes by $700,000. The balance was used for additional operating capital.

For so long as more than $1,500,000 of the Preferred stock is issued and outstanding, the Company shall require the prior written consent of holders representing two-thirds of the Preferred stock issued and outstanding to (a) sell, merge with, acquire or consolidate with another business entity, (b) incur additional leverage beyond the leverage contemplated by the Company and Holders as part of the Company's acquisition of Artisanal Cheese, LLC, or (c) issue any new shares of common stock or securities convertible or exercisable into Common Stock in excess of 2% of the shares of Common Stock issued and outstanding on a fully diluted basis as of August 14, 2007, excluding the Management Stock Option granted to Messrs. Dowe and Feeney (see below.) At no time shall such securities be sold or granted at a price less than the thirty cents ($.30) per share Conversion Price. If the Company cannot obtain the requisite two-thirds approval, these restrictions may affect our liquidity and our ability to execute our business plan.

With the acquisition of the specialty food business, the Company believes its cash flow will be sufficient to meet its fixed monthly expenses. The Company generates cash from the sales of its product. Wholesale customers purchasing on an open account basis have 30-day payment terms. All others sales pertaining to cheese and related items from our print catalog or website or sales relating to classes at the cheese center are paid through credit card which generally settle within three days of purchase.

All long-term liabilities are payable to the previous owners of Artisanal Cheese LLC and are being repaid in accordance with the terms of the two governing instruments. The short-term debt of $228,000 payable to the restaurants owned by former owners of Artisanal Cheese LLC was paid quarterly and retired in full in July 2008.

The cost to carry the preferred stock is a dividend of 12% payable in stock for the first two years. Thereafter the dividend is 12% if payable in cash or 15% if payable in stock, at the Company's election. Where the Company elects to pay the dividend in shares, this will not present a drain on the company's capital resources.

The Company intends to complete its plan to close on a two-part senior debt facility consisting of an asset-based revolving line of credit secured by the accounts receivable of the company and then a term loan in the range of $1 million secured by all of the other assets of the Company. This senior financing was contemplated as part of the acquisition of Artisanal Cheese LLC in August 2007. The Company has provided audited financial statements for the year ended May 31, 2008 to prospective lenders and anticipates closing a loan facility by the close of the second quarter. The cost of this facility is expected to be at current prime rates.

Inflation and Changing Prices

The Company does not foresee any risks associated with inflation or substantial price increases in the near future. In addition, the cheeses that are selected by the Company in its affinage process are often available from various sources. As such, while the Company has exposure to inflation, it does not believe that inflation will have any materially significant impact on its operations in the near future.

The Company does not foresee any increase in costs that cannot be passed on to its customer in the ordinary course of business. The company adjusts its wholesale and online prices throughout the year to reflect increase costs attributable to increases in energy prices. Under very limited circumstances, the Company has entered into agreements with certain customers for which the Company provides third-party drop-ship fulfillment with contracted pricing for various cheese collections. The Company, in turn, usually has a corresponding agreement with the cheese suppliers whose products are incorporated into these collections for fixed prices to ensure that the company achieves its anticipated gross margin.

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Critical Accounting Policies

The discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amount of assets and liabilities, revenues and expenses, and related disclosure on contingent assets and liabilities at the date of our financial statements. Actual results may differ from these estimates under different assumptions and conditions.

Critical accounting policies are defined as those that are reflective of significant judgments and uncertainties, and potentially result in materially different results under different assumptions and conditions. The Company believes that its critical accounting policies are limited to those described below. For a detailed discussion on the application of these and other accounting policies see Note 3 to our financial statements.

Long-Lived Assets (including Tangible and Intangible Assets)

We acquired businesses in recent years, which resulted in intangible assets being recorded. The determination of the value of such intangible assets requires management to make estimates and assumptions that affect our consolidated financial statements. We assess potential impairment to the intangible and tangible assets on a quarterly basis or when evidence of events or changes in circumstances indicate that the carrying amount of an asset may not be recovered. Our judgments regarding the existence of impairment indicators, if any, and future cash flows related to these assets are based on operational performance of our business, market conditions and other factors.

Accounting for Income Taxes

As part of the process of preparing our financial statements we are required to estimate our income taxes. Management judgment is required in determining our provision of our deferred tax asset. We recorded a valuation for the full deferred tax asset from our net operating losses carried forward due to the Company not demonstrating any consistent profitable operations. In the event that the actual results may differ from these estimates or we adjust these estimates in future periods we may need to adjust such valuation recorded.

Stock-Based Compensation

The computation of the expense associated with stock-based compensation requires the use of a valuation model. SFAS 123(R) is a new and very complex accounting standard, the application of which requires significant judgment and the use of estimates, particularly surrounding Black-Scholes assumptions such as stock price volatility, expected option lives, and expected option forfeiture rates, to value equity-based compensation. The Company currently uses a Black-Scholes option pricing model to calculate the fair value of its stock options. The Company primarily uses historical data to determine the assumptions to be used in the Black-Scholes model and has no reason to believe that future data is likely to differ materially from historical data. However, changes in the assumptions to reflect future stock price volatility and future stock award exercise experience could result in a change in the assumptions used to value awards in the future and may result in a material change to the fair value calculation of stock-based awards. SFAS 123(R) requires the recognition of the fair value of stock compensation in net income. Although every effort is made to ensure the accuracy of our estimates and assumptions, significant unanticipated changes in those estimates, interpretations and assumptions may result in recording stock option expense that may materially impact our financial statements for each respective reporting period.

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Item 3 **Quantitative and Qualitative Disclosures About Market Risk**

Omitted.

Item 4T. **Controls and Procedures**

(a) **Evaluation of Disclosure Controls and Procedures**

The Company’s management, with the participation of our president who is also the chief financial officer, carried out an evaluation of the effectiveness of our “disclosure controls and procedures” (as defined in the Securities Exchange Act of 1934 (the “Exchange Act”) Rules 13a-15(e) and 15-d-15(e)) as of the end of the period covered by this report (the “Evaluation Date”). Based upon that evaluation, the president/chief financial officer concluded that as of the Evaluation Date, the Company’s disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act (i) is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms and (ii) is accumulated and communicated to management, including the president/chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

The Company’s management, including the president/chief financial officer, does not expect that the Company’s disclosure controls and procedures or its internal controls will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within American Home Food Products, Inc. can be prevented.

(b) **Management's Report on Internal Control over Financial Reporting**

The Company’s management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). The Company’s management has assessed the effectiveness of our internal control over financial reporting as of August 31, 2008. In making this assessment, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control-Integrated Framework. Our management has concluded that, as of August 31, 2008, our internal control over financial reporting is effective based on these criteria. This quarterly report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to temporary rules of the SEC that permit us to provide only management's report in this quarterly report.

(c) **Changes in Internal Control over Financial Reporting**

There were no changes in our internal controls over financial reporting that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Part II **Other Information**

Item 1. Legal Proceedings

None.

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Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

In July 2008, the Company issued 10,000 shares of common stock in exchange for the rights to the website name "www.artisanalpremium.com". The company recorded an expense of $2,500 in connection with these shares.

Item 3. Defaults Upon Senior Securities. None.

Item 4. Submission of Matters to a Vote of Security Holders. None.

Item 5. Other Information.

The last Annual Meeting of Shareholders was held on January 28, 2005 at which the Company received majority votes in favour of: changing the Company's name to American Home Food Products, undertaking a 1-for-7 reverse stock split and ratifying the election of its independent outside auditors. Since then, the company had pursued several operating businesses that could serve as growth platforms in various product categories. However, for various reasons not attributable to the Company, the transaction could not be brought to a close until August 2007 when the Company acquired Artisanal Cheese LLC. Management anticipates scheduling the next meeting of shareholders for a date within approximately sixty days of the filing of this Form 10-Q.

Item 6. Exhibits. None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities and Exchange Act of 1934, American Home Food Products, Inc. has duly caused this report to be signed on its behalf by the undersigned person who is duly authorized to sign on behalf of the Company as its principal executive officer and principal financial officer.

AMERICAN HOME FOOD PRODUCTS, INC.

By:/ss/ Daniel W. Dowe
Daniel W. Dowe
Chief Executive Officer and Chief Financial Officer

Date: October 10, 2008

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