

Ruths Hospitality Group, Inc.
Form DEF 14A
April 12, 2010
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SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

**Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934**

(Amendment No.)

Filed by the registrant 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))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under Rule 14a-12

RUTH S HOSPITALITY GROUP, 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.):

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 transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated, and state how it was determined.):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

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 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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400 INTERNATIONAL PARKWAY, SUITE 325

HEATHROW, FLORIDA 32746

April 12, 2010

To our Stockholders:

You are cordially invited to attend the Ruth's Hospitality Group, Inc. annual meeting of stockholders at 1:00 P.M. on Wednesday, May 26, 2010 at Ruth's Chris Steak House, 80 Colonial Center Parkway, Lake Mary, Florida 32746. The attached notice of annual meeting and proxy statement describes all known items to be acted upon by stockholders at the meeting and describes certain other details related to the meeting.

It is important that your shares are represented at the annual meeting, whether or not you plan to attend. To ensure your shares will be represented, we ask that you vote your shares via the Internet or by telephone, as instructed on the Notice of Internet Availability of Proxy Materials or as instructed on the accompanying proxy. If you received or requested a copy of the proxy card by mail, you may submit your vote by completing, signing, dating and returning the proxy card by mail. **We encourage you to vote via the Internet or by telephone.** These methods save us significant postage and processing charges. Please vote your shares as soon as possible. This is your annual meeting and your participation is important.

Sincerely,

Michael P. O'Donnell

President and Chief Executive Officer

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

The 2010 annual meeting of stockholders of Ruth's Hospitality Group, Inc. (the Company or Ruth's) will be held at Ruth's Chris Steak House, 80 Colonial Center Parkway, Lake Mary, Florida 32746, on Wednesday, May 26, 2010, beginning at 1:00 P.M. local time. At the meeting, the holders of the Company's outstanding common stock and Series A Preferred Stock will act on the following matters:

- (1) the election of the six nominees as directors named in the attached proxy statement to serve terms expiring at the annual meeting of stockholders to be held in 2011 and until their successors have been elected and qualified;
- (2) the ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for fiscal 2010; and
- (3) to transact any other business as may properly come before the meeting or any adjournment or postponement thereof.

In addition, in accordance with the terms of the Securities Purchase Agreement we entered into with Bruckmann, Rosser, Sherrill & Co. Management, L.P. and affiliates (which we refer to collectively as BRS) on December 22, 2009, for so long as BRS beneficially owns 5% or more of our common stock on an as-converted basis, BRS, voting as a separate class to the exclusion of the holders of our common stock, is entitled to designate one individual to our Board who must be an employee of BRS or one of its affiliates. BRS has designated Mr. Harold O. Rosser II to the Board.

Stockholders of record at the close of business on March 31, 2010 are entitled to notice of and to vote at the annual meeting and any postponements or adjournments thereof.

Whether or not you expect to be present at the meeting, please vote your shares by following the instructions on the accompanying proxy card or voting instruction card. If your shares are held in the name of a bank, broker or other record holder, their voting procedures should be described on the voting form they send to you. Any person voting by proxy has the power to revoke it at any time prior to its exercise at the meeting in accordance with the procedures described in the accompanying proxy statement.

Notice of Electronic Availability of Proxy Materials:

In accordance with regulations adopted by the Securities and Exchange Commission, instead of mailing a printed copy of our proxy materials, including our annual report to stockholders, to each stockholder of record, we may now furnish these materials on the Internet unless the stockholder has previously requested to receive these materials by mail or e-mail. On or about April 12, 2010, we mailed to our stockholders who have not previously requested to receive these materials by mail or e-mail a Notice of Internet Availability of Proxy Materials containing instructions on how to access this proxy statement and our annual report and to vote online. The Notice instructs you as to how you may access and review all of the important information contained in the proxy materials. The Notice also instructs you as to how you may submit your proxy on the Internet or by telephone. If you received the Notice by mail, you will not automatically receive a printed copy of our proxy materials or annual report unless you follow the instructions for requesting these materials included in the Notice.

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By order of the Board of Directors,

Robert M. Vincent
Corporate Secretary

April 12, 2010

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400 INTERNATIONAL PARKWAY, SUITE 325

HEATHROW, FLORIDA 32746

ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD MAY 26, 2010

PROXY STATEMENT

The Board of Directors of Ruth's Hospitality Group, Inc. (the Company or Ruth's) is soliciting proxies from its stockholders to be used at the annual meeting of stockholders to be held on Wednesday, May 26, 2010, beginning at 1:00 P.M., at Ruth's Chris Steak House, 80 Colonial Center Parkway, Lake Mary, Florida 32746, and at any postponements or adjournments thereof. This proxy statement contains information related to the annual meeting. This proxy statement, accompanying form of proxy and the Company's annual report are first being sent or made available to stockholders on or about April 12, 2010.

ABOUT THE ANNUAL MEETING

Why did I receive these materials?

Our Board of Directors is soliciting proxies for the 2010 annual meeting of stockholders. You are receiving a proxy statement because you owned shares of our common stock or Series A Preferred Stock on March 31, 2010 and that entitles you to vote at the meeting. By use of a proxy, you can vote whether or not you attend the meeting. This proxy statement describes the matters on which we would like you to vote and provides information on those matters so that you can make an informed decision.

What information is contained in this proxy statement?

The information in this proxy statement relates to the proposals to be voted on at the annual meeting, the voting process, our Board and Board committees, the compensation of directors and executive officers and other information that the Securities and Exchange Commission requires us to provide annually to our stockholders.

If I previously signed up to receive stockholder materials, including proxy statements and annual reports, by mail and wish to access these materials via the Internet or via electronic delivery in the future, what should I do?

If you have previously signed up to receive stockholder materials, including proxy statements and annual reports, by mail, you may choose to receive these materials by accessing the Internet or via electronic delivery in the future, which can help us achieve a substantial reduction in our printing and mailing costs. If you choose to receive your proxy materials by accessing the Internet, then before next year's annual meeting, you will receive a Notice of Internet Availability of Proxy Materials when the proxy materials and annual report are available over the Internet. If you choose instead to receive your proxy materials via electronic delivery, you will receive an email containing the proxy materials.

If your shares are registered in your own name (instead of through a broker or other nominee), sign up to receive proxy materials in the future by accessing the Internet or via electronic delivery by visiting the following website: www.proxyvote.com.

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Your election to receive your proxy materials by accessing the Internet or by electronic delivery will remain in effect for all future stockholder meetings unless you revoke it before the meeting by following the instructions on the Notice of Internet Availability of Proxy Materials or by calling or sending a written request addressed to:

Ruth s Hospitality Group, Inc.

Attn: Robert M. Vincent

400 International Parkway, Suite 325

Heathrow, Florida 32746

(407) 333-7440

If you hold your shares in an account at a brokerage firm or bank participating in a street name program, you can sign up for electronic delivery of proxy materials in the future by contacting your broker.

How can I obtain paper copies of the proxy materials, 10-K and other financial information?

Stockholders can access the 2010 proxy statement, Form 10-K and our other filings with the SEC as well as our corporate governance and other related information on the Investor Relations page of our website at www.rhgi.com.

If you elected to receive our stockholder materials via the Internet or via electronic delivery, you may request paper copies by written request addressed to:

Ruth s Hospitality Group, Inc.

Attn: Robert M. Vincent

400 International Parkway, Suite 325

Heathrow, Florida 32746

(407) 333-7440

We will also furnish any exhibit to the 2009 Form 10-K if specifically requested.

Who is entitled to vote at the meeting?

Holders of common stock and Series A Preferred Stock, as of the close of business on the record date, March 31, 2010, will receive notice of, and be eligible to vote at, the annual meeting and at any adjournment or postponement of the annual meeting. At the close of business on the record date, we had outstanding and entitled to vote 34,316,891 shares of common stock and 25,000 shares of Series A Preferred Stock (which, on an as-converted basis, are entitled to an aggregate of 8,620,690 votes).

How many votes do I have?

Each outstanding share of our common stock you owned as of the record date will be entitled to one vote for each matter considered at the meeting. Each outstanding share of Series A Preferred Stock is entitled to approximately 344.83 votes (one vote per share of common stock issuable upon the conversion of the Series A Preferred Stock). Our common stockholders and Series A Preferred stockholders vote together as a single class on each matter presented at the annual meeting, except for those matters on which the Series A Preferred stockholders are entitled to vote as a separate class. There is no cumulative voting.

Who can attend the meeting?

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Only persons with evidence of stock ownership as of the record date or who are invited guests of the Company may attend and be admitted to the annual meeting of the stockholders. Stockholders with evidence of

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stock ownership as of the record date may be accompanied by one guest. Photo identification will be required (a valid driver's license, state identification or passport). If a stockholder's shares are registered in the name of a broker, trust, bank or other nominee, the stockholder must bring a proxy or a letter from that broker, trust, bank or other nominee or their most recent brokerage account statement that confirms that the stockholder was a beneficial owner of shares of stock of the Company as of the record date. Since seating is limited, admission to the meeting will be on a first-come, first-served basis. Registration will begin at 12:00 noon, and seating will begin at 12:30 P.M.

Cameras (including cell phones with photographic capabilities), recording devices and other electronic devices will not be permitted at the meeting.

What constitutes a quorum?

The presence at the meeting, in person or by proxy, of the holders of a majority of the aggregate voting power of the common stock outstanding on the record date (including shares of our Series A Preferred Stock on an as-converted basis to common stock) will constitute a quorum, permitting the conduct of business at the meeting.

Proxies received but marked as abstentions and broker non-votes, if any, will be included in the calculation of the number of votes considered to be present at the meeting for the purposes of a quorum.

How do I vote?

If you are a holder of record (that is, your shares are registered in your own name with our transfer agent), you can vote either in person at the annual meeting or by proxy without attending the annual meeting. We urge you to vote by proxy even if you plan to attend the annual meeting so that we will know as soon as possible that enough votes will be present for us to hold the meeting. If you attend the meeting in person, you may vote at the meeting and your proxy will not be counted. You can vote by proxy by any of the following methods.

Voting by Telephone or Through the Internet. If you are a registered stockholder (that is, if you own shares in your own name and not through a broker, bank or other nominee that holds shares for your account in a street name capacity), you may vote by proxy by using either the telephone or Internet methods of voting. Proxies submitted by telephone or through the Internet must be received by May 25, 2010. Please see the Notice of Internet Availability or proxy card for instructions on how to access the telephone and Internet voting systems.

Voting by Proxy Card. Each stockholder electing to receive stockholder materials by mail may vote by proxy by using the accompanying proxy card. When you return a proxy card that is properly signed and completed, the shares represented by your proxy will be voted as you specify on the proxy card.

If you hold your shares in street name, you must either direct the bank, broker or other record holder of your shares as to how to vote your shares, or obtain a proxy from the bank, broker or other record holder to vote at the meeting. Please refer to the voter instruction cards used by your bank, broker or other record holder for specific instructions on methods of voting, including by telephone or using the Internet.

Your shares will be voted as you indicate. If you return the proxy card but you do not indicate your voting preferences, then your shares will not be voted with respect to the election of directors, but the individuals named on the proxy card will vote your shares FOR the ratification of our auditors. The Board and management do not intend to present any matters at this time at the annual meeting other than those outlined in the notice of the annual meeting. Should any other matter requiring a vote of stockholders arise, stockholders returning the proxy card confer upon the individuals named on the proxy card discretionary authority to vote the shares represented by such proxy on any such other matter in accordance with their best judgment.

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Can I change my vote?

Yes. If you are a stockholder of record, you may revoke or change your vote at any time before the proxy is exercised by filing a notice of revocation with the secretary of the Company or mailing a proxy bearing a later date, submitting your proxy again by telephone or over the Internet or by attending the annual meeting and voting in person. For shares you hold beneficially in street name, you may change your vote by submitting new voting instructions to your broker, bank or other nominee or, if you have obtained a legal proxy from your broker, bank or other nominee giving you the right to vote your shares, by attending the meeting and voting in person. In either case, the powers of the proxy holders will be suspended if you attend the meeting in person and so request, although attendance at the meeting will not by itself revoke a previously granted proxy.

How are we soliciting this proxy?

We are soliciting this proxy on behalf of our Board of Directors and will pay all expenses associated with this solicitation. In addition to mailing these proxy materials, certain of our officers and other employees may, without compensation other than their regular compensation, solicit proxies through further mailing or personal conversations, or by telephone, facsimile or other electronic means. We will also, upon request, reimburse brokers and other persons holding stock in their names, or in the names of nominees, for their reasonable out-of-pocket expenses for forwarding proxy materials to the beneficial owners of our stock and to obtain proxies.

What are the Board's recommendations?

The Board's recommendation is set forth together with the description of each item in this proxy statement. In summary, the Board recommends a vote FOR each of the proposals.

Will stockholders be asked to vote on any other matters?

To the knowledge of the Company and its management, stockholders will vote only on the matters described in this proxy statement. However, if any other matters properly come before the meeting, the persons named as proxies for stockholders will vote on those matters in the manner they consider appropriate.

What vote is required to approve each item?

Directors are elected by a plurality of the votes cast at the meeting (with the holders of common stock and Series A Preferred Stock voting together as a single class), which means that the six nominees who receive the highest number of properly executed votes will be elected as directors, even if those nominees do not receive a majority of the votes cast. A properly executed proxy marked withhold authority with respect to the election of one or more directors will not be voted with respect to the director or directors indicated, although it will be counted for purposes of determining whether there is a quorum.

The ratification of the appointment of KPMG LLP to serve as the Company's independent auditors for fiscal 2010 requires the affirmative vote of the majority of the votes present, in person or by proxy, and entitled to vote at the meeting (with the holders of common stock and Series A Preferred Stock voting together as a single class).

How are votes counted?

In the election of directors, you may vote FOR all or some of the nominees or your vote may be WITHHELD with respect to one or more of the nominees. You may not cumulate your votes for the election of directors.

For the ratification of the appointment of KPMG LLP to serve as the Company's independent auditors for fiscal 2010, you may vote FOR, AGAINST or ABSTAIN. Abstentions are considered to be present and entitled to vote at the meeting and, thus, have the same effect as votes against the matter. If you provide specific instructions with regard to certain items, your shares will be voted as you instruct on such items.

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If you hold your shares in street name, the Company has supplied copies of its proxy materials for its 2010 annual meeting of stockholders to the broker, bank or other nominee holding your shares of record and they have the responsibility to send these proxy materials to you. Your broker, bank or other nominee is permitted to vote your shares on the appointment of KPMG LLP as our independent auditor without receiving voting instructions from you.

What happens if a nominee for director declines or is unable to accept election?

If any nominee should become unavailable, which is not anticipated, the persons voting the accompanying proxy may vote for a substitute nominee designated by our Board or our Board may reduce the number of directors.

Why is BRS able to designate a director to the Board?

On December 22, 2009, we entered into a Securities Purchase Agreement with BRS, pursuant to which BRS acquired 25,000 shares of a new class of Series A Preferred Stock in a private placement transaction for an aggregate purchase price of \$25.0 million. Each outstanding share of Series A Preferred Stock is entitled to approximately 344.83 votes (one vote per share of common stock issuable upon the conversion of the Series A Preferred Stock), resulting in BRS owning an aggregate of 20.1% of our outstanding voting shares as of March 31, 2010. In addition, for so long as BRS beneficially owns 5% or more of our common stock on an as-converted basis, BRS, voting as a separate class to the exclusion of the holders of our common stock, is entitled to designate one individual to our Board who must be an employee of BRS or one of its affiliates.

What should I do if I receive more than one set of voting materials?

You may receive more than one set of voting materials, including multiple copies of this proxy statement, proxy cards or voting instruction cards. For example, if you hold your shares in more than one brokerage account, you may receive a separate voting instruction card for each brokerage account in which you hold shares. If you are a stockholder of record and your shares are registered in more than one name, you will receive more than one proxy card. Please vote your shares applicable to each proxy card and voting instruction card that you receive.

Where can I find the voting results of the annual meeting?

The Company intends to announce the preliminary voting results at the annual meeting and publish the final results in a Form 8-K within four business days following the annual meeting.

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The following table sets forth information known to the Company regarding beneficial ownership of the Company's common stock, as of March 31, 2010, by each person known by the Company to own more than 5% of our common stock, each director and each of the executive officers identified in the Summary Compensation Table and by all of its directors and executive officers as a group (ten persons). The table lists the number of shares and percentage of shares beneficially owned based on 34,316,891 shares of common stock outstanding as of March 31, 2010. Information in the table is derived from Securities and Exchange Commission filings made by such persons on Schedule 13G and/or under Section 16(a) of the Securities Exchange Act of 1934, as amended, and other information received by the Company. Except as indicated in the footnotes to this table, and subject to applicable community property laws, the persons or entities named have sole voting and investment power with respect to all shares of our common stock shown as beneficially owned by them.

Name of Beneficial Owner	Number of Shares Beneficially Owned(1)	Percent of Class
Principal Stockholders:		
BRS(2)	8,620,690	20.1%
Madison Dearborn(3)	4,119,132	12.0%
FMR LLC(4)	3,755,959	10.9%
MFP Investors LLC(5)	2,385,932	7.0%
Sheffield Asset Management(6)	1,414,563	4.1%
BlackRock, Inc.(7)	1,266,076	3.7%
Directors, excluding Chief Executive Officer		
Harold O. Rosser II(8)	8,620,690	20.1%
Robin P. Selati(9)	4,119,132	12.0%
Bannus B. Hudson(10)	58,488	*
Alan Vituli(11)	35,828	*
Carla R. Cooper(12)	22,528	*
Robert S. Merritt		
Named Executive Officers		
Michael P. O'Donnell(13)	223,169	*
Robert M. Vincent(14)	105,500	*
Samuel A. Tancredi	24,000	*
Kevin W. Toomy	24,000	*
All, directors and executive officers as a group (ten persons)(15)	13,233,335	30.8%

* Less than one percent

- Unless otherwise indicated and subject to community property laws where applicable, the individuals and entities named in the table above have sole voting and investment power with respect to all shares of our stock shown as beneficially owned by them. Beneficial ownership and percentage ownership are determined in accordance with the rules of the SEC. In calculating the number of shares beneficially owned by an individual or entity and the percentage ownership of that individual or entity, shares underlying options, warrants and Series A Convertible Preferred Stock held by that individual or entity that are either currently exercisable or exercisable within 60 days from March 31, 2010 are deemed outstanding. These shares, however, are not deemed outstanding for the purpose of computing the percentage ownership of any other individual or entity. The business address of each of our named executive officers and directors is 400 International Parkway, Suite 325, Heathrow, Florida 32746.
- The information provided below reflects information reported by the stockholder on Schedule 13G filed on February 19, 2010. Bruckmann, Rosser, Sherrill & Co. III, L.P., a Delaware limited partnership (the "Fund"), is the record owner of 19,817,71285 shares of the Company's Series A Preferred Stock and BRS Coinvestor III, L.P., a Delaware limited partnership (the "Co-Invest Fund," and together with the Fund, the

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- Investors), is the record owner of 5,182,287.15 shares of the Company's Series A Preferred Stock, which are convertible into approximately 8,620,690 shares of common stock in the aggregate as of March 31, 2010. The sole general partner of the Fund is BRS GP III, L.P., a Delaware limited partnership (BRS GP III), of which the sole general partner is Bruckmann, Rosser, Sherrill & Co. III, L.L.C., a Delaware limited liability company (BRS III). The sole general partner of the Co-Invest Fund is BRS Coinvestor GP III, L.L.C., a Delaware limited liability company (BRS Co-Investor GP). Due to their relationship to the Investors, each of BRS GP III, BRS III and BRS Co-Investor GP may be deemed to have shared voting and investment power with respect to the common stock beneficially owned by the Investors. As such, BRS GP III, BRS III and BRS Co-Investor GP may be deemed to have shared beneficial ownership over such shares of common stock. Each of BRS GP III, BRS III and BRS Co-Investor GP, however, disclaims beneficial ownership of such shares of common stock except to the extent of its pecuniary interest therein. The address for the entities is 126 East 56th Street, 29th Floor, New York, New York 10022.
- (3) Consists of 4,016,828 shares held directly by Madison Dearborn Capital Partners III, L.P. (MDCP), 89,191 shares held directly by Madison Dearborn Special Equity III, L.P. (MDSE) and 13,113 shares held directly by Special Advisors Fund I, LLC (SAF). The shares held by MDCP, MDSE and SAF may be deemed to be beneficially owned by Madison Dearborn Partners III, L.P. (MDP III), the general partner of MDCP and MDSE and the manager of SAF. As the sole members of a limited partner committee of MDP III that has the power, acting by majority vote, to vote or dispose of the shares directly held by MDCP, MDSE and SAF, John A. Canning, Paul J. Finnegan and Samuel M. Menco may be deemed to have shared voting and investment power over such shares. MDP III, MDCP, MDSE and SAF may be deemed to be a group for purposes of Section 13(d)(3) of the Exchange Act of 1934, as amended, but expressly disclaim group attribution other than as disclosed in the Schedule 13G/A filed on February 7, 2007. Mr. Canning, Mr. Finnegan and Mr. Menco and MDP III hereby disclaim any beneficial ownership of any shares held by MDCP, MDSE and SAF. The address for the Madison Dearborn entities and persons is Three First National Plaza, Suite 4600, Chicago, Illinois 60602.
- (4) The information provided in the table and the information below reflects information reported by the stockholder on Schedule 13G/A filed by FMR LLC on February 10, 2010 on which FMR LLC reported sole voting power over 0 shares of common stock and sole dispositive power over 3,755,959 shares of our common stock. Fidelity Management & Research Company, a wholly-owned subsidiary of FMR LLC and an investment advisor registered under Section 203 of the Investment Advisers Act of 1940, is the beneficial owner of 3,755,959 shares of our common stock as a result of acting as investment advisor to various investment companies registered under Section 8 of the Investment Company Act of 1940. Edward C. Johnson 3d and FMR LLC, through its control of Fidelity and the funds, each has sole power to dispose of the 3,755,959 shares owned by the funds. Through their ownership of FMR LLC stock and rights under a shareholders voting agreement, members of the Johnson family may be deemed, under the Investment Company Act of 1940, to form a controlling group with respect to FMR LLC. Neither FMR LLC nor Edward C. Johnson 3d has sole power to vote or direct the voting of shares owned directly by the Fidelity Funds, which power resides with the funds' Board of Directors. The business address is 82 Devonshire Street, Boston, Massachusetts 02109.
- (5) The information provided in the table and the information below reflects information reported on Schedule 13G dated February 11, 2010 filed by MFP Investors LLC, MFP Partners, L.P. and Michael F. Price. MFP Investors LLC is the general partner of MFP Partners, L.P. Michael F. Price is the managing partner of MFP Partners, L.P. and the managing member and controlling person of MFP Investors LLC. MFP Partners, L.P. has the shared voting and dispositive power over 2,385,932 shares of the common stock. As the general partner of MFP Partners, L.P., MFP Investors LLC is deemed to own 2,385,932 shares of the common stock. The address for the entities is 667 Madison Ave, 25th Floor, New York, New York 10065.
- (6) The information provided in the table and the information below reflects information reported on Schedule 13G dated February 16, 2010 filed by Sheffield Partners, L.P. (SPLP), Sheffield Institutional Partners, L.P. (SIPLP), Sheffield International Partners Master, Ltd. (SIPMLTD) and Sheffield Asset Management, L.L.C. The members of Sheffield Asset Management are Brian J. Feltzin and Craig C. Albert. SPLP reported shared voting and dispositive power over 353,077 shares, SIPLP reported shared voting and

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- dispositive power over 678,003 shares, SIPMLTD reported shared voting and dispositive power over 383,483 shares and Sheffield Asset Management, L.L.C. reported shared voting and dispositive power over 1,414,563 shares. The address for the entities is 900 North Michigan Avenue, Suite 1100 Chicago, Illinois 60611.
- (7) The information provided in the table and the information below reflects information reported on Schedule 13G dated January 29, 2010 filed by BlackRock, Inc., which has sole voting and dispositive power over 1,266,076 shares of common stock. The address for BlackRock, Inc is 40 East 52nd Street, New York, New York 10022.
- (8) All of such shares are held by affiliates of BRS as described in footnote 2 above. Mr. Rosser is a member of the Board of Managers of Bruckmann, Rosser, Sherrill & Co. III, L.L.C., a Delaware limited liability company, and BRS Coinvestor GP III, L.L.C., a Delaware limited liability company, and therefore may be deemed to share voting and investment power over the shares owned by these entities. Mr. Rosser disclaims beneficial ownership of all such shares.
- (9) All of such shares are held by affiliates of Madison Dearborn as described in footnote 3 above. Mr. Selati is a Managing Director of Madison Dearborn, and therefore may be deemed to share voting and investment power over the shares owned by these entities, and therefore to beneficially own such shares. Mr. Selati disclaims beneficial ownership of all such shares. The address for Mr. Selati is c/o Madison Dearborn Partners, LLC, Three First National Plaza, Suite 3800, Chicago, Illinois 60602.
- (10) Includes 10,000 shares of restricted stock that vest pro rata on an annual basis over a five year period which began on February 28, 2008, and 41,488 shares of common stock issuable upon exercise of options exercisable within 60 days of March 31, 2010.
- (11) Includes 22,828 shares of restricted stock that vested pro rata on a daily basis over a five year period which began on November 8, 2004, 10,000 shares of restricted stock that vest pro rata on an annual basis over a five year period which began on February 28, 2008, and 3,000 shares of common stock issuable upon exercise of options exercisable within 60 days of March 31, 2010.
- (12) Includes 9,528 shares of restricted stock that vested pro rata on a daily basis over a five year period which began on November 8, 2004, 10,000 shares of restricted stock that vest pro rata on an annual basis over a five year period which began on February 28, 2008, and 3,000 shares of common stock issuable upon exercise of options exercisable within 60 days of March 31, 2010.
- (13) Includes 160,000 shares of common stock issuable upon exercise of options exercisable within 60 days of March 31, 2010.
- (14) Includes 75,000 shares of restricted stock that vest pro rata on an annual basis over a five year period which began on March 17, 2008.
- (15) Includes 32,356 shares of restricted stock that vested pro rata on a daily basis over a five year period which began on November 8, 2004, 30,000 shares of restricted stock that vest pro rata on an annual basis over a five year period which began on February 28, 2008, 75,000 shares of restricted stock that vest pro rata on an annual basis over a five year period which began on March 17, 2008, and 255,488 shares of common stock issuable upon exercise of options exercisable within 60 days of March 31, 2010.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires that our executive officers, directors and greater than 10% stockholders file reports of ownership and changes of ownership of common stock with the Securities and Exchange Commission and the NASDAQ Global Select Market. Based on a review of the Securities and Exchange Commission filed ownership reports during fiscal 2009, the Company believes that all Section 16(a) filing requirements were met during the fiscal year ended December 27, 2009, with the exception of one late Form 3 filed by Robert S. Merritt.

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PROPOSAL NO. 1

ELECTION OF DIRECTORS

General

The Company's amended and restated Certificate of Incorporation provides that the number of directors shall be fixed from time to time by resolution adopted by the affirmative vote of a majority of the total number of directors then in office. The number of authorized directors as of the date of this proxy statement is seven. The Board currently is composed of seven directors, with each director serving until the next annual meeting or until his or her successor is elected. In accordance with the terms of the Securities Purchase Agreement we entered into with BRS on December 22, 2009, for so long as BRS beneficially owns 5% or more of our common stock on an as-converted basis, BRS, voting as a separate class to the exclusion of the holders of our common stock, is entitled to designate one individual to our Board who must be an employee of BRS or one of its affiliates. BRS has designated Mr. Harold O. Rosser II, identified below, to the Board. The six candidates nominated by the Board for election as directors at the 2010 annual meeting of stockholders are also identified below, each of whom is currently a member of the Board.

If you submit your proxy or voting instruction card but do not give instructions with respect to voting for directors, your shares will be voted FOR the six persons recommended by the Board. If you wish to give specific instructions with respect to voting for directors, you may do so by indicating your instructions on your proxy or voting instruction card.

All of the nominees have indicated to the Company that they will be available to serve as directors. If any nominee named herein for election as a director should, for any reason, become unavailable to serve prior to the annual meeting, the Board may, prior to the annual meeting, (i) reduce the size of the Board to eliminate the position for which that person was nominated, (ii) nominate a new candidate in place of such person or (iii) leave the position vacant to be filled at a later time. The information presented below for the director designee and nominees has been furnished to the Company by the director designee and nominees.

BRS Director Designee

Harold O. Rosser II

Harold O. Rosser II, age 61, has served as a member of our Board of Directors since February 2010. He is a founder and Managing Director of Bruckmann, Rosser, Sherrill & Co., Inc., a New York based mid-market private equity firm, established in 1995. Previously, he spent 20 years at Citibank/Citicorp, with his last eight years at Citicorp Venture Capital. Mr. Rosser is currently a director/trustee of Il Fornaio (America) Corporation, Wilson Farms, Inc., Bravo Brio Restaurant Group, Inc. and Logan's Roadhouse, Inc. He is also a trustee of the Culinary Institute of America and of Wake Forest University. Mr. Rosser also served as a director of McCormick & Schmick Restaurant Corporation within the previous five years. Mr. Rosser has extensive experience in the restaurant industry and is very knowledgeable of both restaurant operations and the capital markets.

Director Nominees for Election by Our Stockholders

The following paragraphs provide biographies of each of the candidates nominated by our Board for election by our stockholders. These biographies contain information regarding the nominee's service as a director, business experience, director positions held currently or at any time during the last five years, information regarding involvement in certain legal or administrative proceedings, if applicable, and the experiences, qualifications or skills that caused the Nominating and Corporate Governance Committee and the Board to determine that the person should serve as one of our directors. In addition, we believe that each director nominee, as well as the BRS director designee, possesses the characteristics that is expected of all directors namely, independence, integrity, adherence to high ethical standards and sound business judgment.

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Michael P. O'Donnell

Mr. O'Donnell, age 54, has served as a director and as the Company's President and Chief Executive Officer since August 2008. Mr. O'Donnell has spent 25 years in the restaurant industry, having been most recently Chairman of the Board of Directors, Chief Executive Officer and President of Champps Entertainment, Inc. from March 2005 until the company was sold in 2007. Prior to that, Mr. O'Donnell served in several leadership positions in the restaurant industry, including Chief Executive Officer of Sbarro, Inc., President and Chief Executive Officer of New Business and President of Roy's for Outback Steakhouse, Inc., President and Chief Operating Officer of Miller's Ale House, Chairman, President and Chief Executive Officer of Ground Round Restaurants, Inc. and key operation positions with T.G.I. Friday's and Pizza Hut. In addition to his leadership skills, Mr. O'Donnell has extensive experience with other restaurant companies and is very knowledgeable of the restaurant industry.

Robin P. Selati

Mr. Selati, age 44, has served as a member of our Board of Directors since September 1999, and served as Chairman of our Board of Directors from April 2005 to September 2006 and from April 2008 to present. Mr. Selati is a Managing Director of Madison Dearborn Partners, LLC (Madison Dearborn) and joined the firm in 1993. Before 1993, Mr. Selati was with Alex. Brown & Sons Incorporated. Mr. Selati currently serves on the Board of Directors of BF Bolthouse Holdco LLC and The Yankee Candle Company, Inc. During the previous five years, Mr. Selati also served as a director for Tuesday Morning Corporation, Carrols Restaurant Group, Inc., Pierre Holding Corporation and Cinemark, Inc. Mr. Selati is the Managing Director of one of our largest stockholders and has extensive experience with our Company. Mr. Selati is very knowledgeable of the capital markets, public company strategies and executive compensation.

Carla R. Cooper

Ms. Cooper, age 59, has served as a member of our Board of Directors since December 2003. Ms. Cooper served as Senior Vice President of Quaker, Tropicana and Gatorade Sales for PepsiCo, Inc. from November 2003 to August 2009. From February 2001 to October 2003, Ms. Cooper served as President of Kellogg Company's Natural and Frozen Foods Division. From February 2000 to February 2001, Ms. Cooper was Senior Vice President and General Manager of Foodservice for Kellogg Company. From June 1988 to November 2000, Ms. Cooper was employed in various positions with Coca-Cola USA, including as Vice President, Customer Marketing. Ms. Cooper has extensive experience in sales, marketing and franchising in the food industry and has insight into vendor relationships.

Bannus B. Hudson

Mr. Hudson, age 64, was elected to our Board of Directors in June 2005. Mr. Hudson served as Chairman of the Board of Beverages & More, Inc., an affiliate of Madison Dearborn, from November 1998 to February 2007. From October 1997 to February 2007, Mr. Hudson served as President and Chief Executive Officer of Beverages & More, Inc. Mr. Hudson has leadership experience in food companies and is very knowledgeable of human resource management.

Robert S. Merritt

Mr. Merritt, age 58, has served as a member of our Board of Directors since October 2009. Mr. Merritt currently serves as Chairman of the Board of Directors for Cosi, Inc., a NASDAQ listed restaurant company. From March 2007 to September 2008, Mr. Merritt served as Cosi, Inc.'s Interim Chief Executive Officer and President, while continuing to serve as a director. In 2005, Mr. Merritt retired from Outback Steakhouse, Inc., where he served as Senior Vice President of Finance, Chief Financial Officer, Treasurer and Secretary since February 1991, and served as Vice President and Chief Financial Officer from January 1990 to February 1991.

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Mr. Merritt also served as a director for Outback Steakhouse, Inc. and each of its subsidiaries and affiliates from 1992 to 2005. From 1988 to 1989, he served as Executive Vice President of Administration and Chief Financial Officer of JB's Restaurants, Inc., a restaurant operator. From 1985 to 1988, he was Vice President of Finance for JB's Restaurants. From 1981 to 1985, Mr. Merritt was employed by Vie de France Corporation, a restaurant and specialty baking company, as Vice President of Finance and Accounting and Chief Financial Officer. Mr. Merritt has knowledge and experience in accounting as well as restaurant finances, and extensive leadership experience with public restaurant companies.

Alan Vituli

Mr. Vituli, age 68, has served as a member of our Board of Directors since December 2003 and Chairman of the Audit Committee until March 2010. Mr. Vituli has served as Chairman of the Board of Directors of Carrols Restaurant Group, Inc., an affiliate of Madison Dearborn, since 1986 and as Chief Executive Officer of Carrols Holdings Corporation since 1992. Mr. Vituli has extensive accounting expertise and experience in the restaurant industry as well as executive leadership skills.

The Board of Directors recommends a vote FOR the election of each of the six candidates

nominated for director by the Board listed above.

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BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Board Composition

Our amended and restated Certificate of Incorporation provides that our Board of Directors consists of such number of directors as determined from time to time by resolution adopted by a majority of the total number of directors then in office. Our Board of Directors currently consists of seven members. The term of office for each director will be until his or her successor is elected and qualified or until his or her earlier death, resignation or removal. Elections for directors will be held annually.

Board Leadership Structure

Our Board's leadership structure currently consists of a separate Board Chairman and Chief Executive Officer. The Board believes that separating the positions of Chairman and Chief Executive Officer enhances Board independence and oversight. The structure allows the Chief Executive Officer to better focus on his growing responsibilities of running the Company, enhancing stockholder value and expanding and strengthening our enterprise, while allowing the Chairman of the Board to lead the Board in its fundamental role of providing advice to and independent oversight of management. The structure also provides for more effective guidance and feedback to the Chief Executive Officer regarding his performance.

The Company's non-management directors meet in executive sessions on a periodic basis without management. The presiding director, for purposes of leading these meetings, is the Chairman of the Nominating and Corporate Governance Committee. The Board believes that these executive sessions are beneficial to the Company because it provides a forum where the independent directors can discuss issues without management present.

Board Role in Risk Oversight

The Board is actively involved in the oversight of risks that could affect the Company. This oversight is conducted primarily through committees of the Board, as disclosed in the descriptions of each of the committees below and in the charters of each of the committees. However, the full Board has retained responsibility for the general oversight of risks. The Board satisfies this responsibility through full reports by each committee chair regarding the committee's considerations and actions, as well as through regular reports directly from officers responsible for oversight of particular risks within the Company.

Risk Considerations in our Compensation Program

The Board believes that our compensation policies and practices are reasonable and properly align our employees' interests with those of our stockholders. The Board believes that there are a number of factors that cause our compensation policies and practices to not have a material adverse effect on the Company. The fact that our executive officers and other employees have their incentive compensation tied to earnings, rather than revenues, encourages actions that improve the Company's profitability over the short and long term. Furthermore, our stock option plan further aligns the interests of our executive officers and other employees with the long term interests of our stockholders. In addition, our Compensation Committee reviews our compensation policies and practices to ensure that such policies and practices do not encourage our executive officers and other employees to take action that is likely to create a material adverse effect on the Company.

Number of Meetings of the Board of Directors

The Board held 10 meetings during fiscal 2009. Directors are expected to attend Board meetings and committee meetings for which they serve, and to spend time needed to meet as frequently as necessary to properly discharge their responsibilities. Each director attended at least 88% of the aggregate number of meetings of the Board and the Board committees on which he or she served during the period.

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Attendance at Annual Meetings of the Stockholders

The Company has no policy requiring directors and director nominees to attend its annual meeting of stockholders; however, all directors and director nominees are encouraged to attend.

Director Independence

The rules of the NASDAQ Global Select Market require that the Board be comprised of a majority of independent directors and that the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee each be comprised solely of independent directors, as defined under applicable NASDAQ rules.

The Board has determined that each of the director nominees standing for election, except Michael P. O'Donnell, our President and Chief Executive Officer, has no relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and is an independent director. In determining the independence of our directors, the Board has adopted independence standards that mirror the criteria specified by applicable laws and regulations of the Securities and Exchange Commission and NASDAQ.

Executive Sessions

The Company requires the non-management directors to meet in executive sessions on a periodic basis without management. The presiding director, for purposes of leading these meetings, is the Chairman of the Nominating and Corporate Governance Committee, which currently is Bannus B. Hudson. He can be contacted by writing to: Bannus B. Hudson, c/o Ruth's Hospitality Group, Inc., 400 International Parkway, Suite 325, Heathrow, Florida 32746. In fiscal 2009, our non-management directors held three executive sessions.

Communications between Stockholders and the Board

Stockholders may send communications to the Company's directors as a group or individually by writing to those individuals or the group: c/o the Corporate Secretary, 400 International Parkway, Suite 325, Heathrow, Florida 32746. The Corporate Secretary will review all correspondence received and will forward all correspondence that is relevant to the duties and responsibilities of the Board or the business of the Company to the intended director(s). Examples of inappropriate communication include business solicitations, advertising and communication that is frivolous in nature, communication that relates to routine business matters (such as product inquiries, complaints or suggestions) or communication that raises grievances which are personal to the person submitting them. Upon request, any director may review communication that is not forwarded to the directors pursuant to this policy.

Committees of the Board of Directors

Our Board currently has an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. The composition, duties and responsibilities of these committees are set forth below. Committee members hold office for a term of one year.

Audit Committee. The Audit Committee was established in accordance with section 3(a)(58)(A) of the Exchange Act and is responsible for:

assisting the Board in monitoring the integrity of our financial statements and financial reporting process, the systems of internal accounting and financial controls, the independent auditors' qualifications and independence, the performance of the independent auditors and our internal audit function and our compliance with legal and regulatory requirements;

selecting and overseeing the independent auditors;

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approving all audit and non-audit services provided by the independent auditors, including the overall scope of the audit;

discussing the annual audited financial and quarterly statements with management and the independent auditor, and other matters required to be communicated to the Audit Committee;

discussing earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies;

discussing policies with respect to risk assessment and risk management in order to make recommendations to the Board;

establishing procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters and the monitoring of these complaints through the ethics hotline and other established reporting channels;

reviewing related-party transactions presented to the Audit Committee;

meeting separately, periodically, with management and the independent auditor;

reviewing annually the independent auditors' report describing the auditing firm's internal quality control procedures and any material issues raised by the most recent internal quality control review, or peer review, of the auditing firm;

setting clear hiring policies for employees or former employees of the independent auditors;

handling such other matters that are specifically delegated to the Audit Committee by the Board of Directors from time to time; and

reporting regularly to the full Board of Directors.

Our Audit Committee consists of Mr. Merritt, as Chairman (which previously was Mr. Vituli, who resigned from the Audit Committee in March 2010 but still remains on the Board), Ms. Cooper and Mr. Hudson, each of whom satisfies the current financial literacy requirements and independence requirements of the NASDAQ Global Select Market and the SEC, applicable to audit committee members. Our Board of Directors has determined that Mr. Merritt qualifies as an audit committee financial expert, as such term is defined in Item 407(d) of Regulation S-K. The Audit Committee held four meetings in fiscal 2009. The charter of the Audit Committee is available on the Investor Relations section of our website at www.rhgi.com.

Compensation Committee. The Compensation Committee is responsible for:

reviewing key employee compensation goals, policies, plans and programs;

establishing the compensation of our directors, chief executive officer and other executive officers;

reviewing and approving employment contracts and other similar arrangements between us and our executive officers;

reviewing and consulting with the Board on the selection of the chief executive officer and evaluation of such executive officer's performance and other related matters;

administering stock plans and other incentive compensation plans;

evaluating risks relating to employment policies and the Company's compensation and benefits systems in order to make recommendations to the Board;

approving overall compensation policies for the entire Company; and