

BIGLARI HOLDINGS INC.
Form PRE 14A
June 21, 2011

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

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

BIGLARI HOLDINGS INC.
(Name of Registrant as Specified in Its Charter)

(Name of Persons(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.

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(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:

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(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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BIGLARI HOLDINGS INC.
175 East Houston Street, Suite 1300
San Antonio, Texas 78205

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

August 5, 2011

To the Shareholders of Biglari Holdings Inc.:

You are cordially invited to attend a special meeting (the "Special Meeting") of the shareholders of Biglari Holdings Inc. (the "Corporation"), to be held at Plaza Club San Antonio, 100 W. Houston, Suite 2100, San Antonio, Texas 78205, on August 5, 2011, at [____ p.m./a.m.], Central Daylight Time, for the following purposes:

1. To amend the Corporation's Amended and Restated Articles of Incorporation in order to (a) increase the total number of shares of all classes of stock that the Corporation is authorized to issue from the current 12,500,000 shares to 60,000,000; (b) redesignate the Corporation's existing common stock, stated value \$0.50 per share, as Class A Common Stock and reduce the authorized number of shares of the redesignated Class A Common Stock from 2,500,000 to 2,000,000; and (c) authorize 48,000,000 shares of a new Class B Common Stock, each share of which would have economic rights equivalent to one-fifth (1/5th) of a share of Class A Common Stock, and would have one-one-hundredth (1/100th) of the vote of a share of Class A Common Stock.
2. To transact such other business as may properly be brought before the Special Meeting or any adjournment or postponement thereof.

The Board of Directors of the Corporation (the "Board") has approved and declared desirable the proposal to APPROVE the amendment of the Corporation's Amended and Restated Articles of Incorporation to create a dual classification of its common stock and has recommended that shareholders vote FOR this proposal.

The Board has fixed the close of business on July 1, 2011 as the record date for determining which shareholders have the right to vote at the Special Meeting or at any adjournment thereof.

You are requested to date, sign and return the enclosed proxy which is solicited by the Board. A return envelope is provided which requires no postage if mailed in the United States. If mailed elsewhere, foreign postage must be affixed.

By order of the Board

/s/ Sardar Biglari

Sardar Biglari,
Chairman and Chief Executive
Officer

San Antonio, Texas
[____], 2011

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If you plan to attend the Special Meeting:

If you are a shareholder of record and you plan to attend the Special Meeting, please keep the admission ticket that is attached to the enclosed proxy card because you must present this ticket to be admitted to the Special Meeting. Each shareholder will be asked to present valid picture identification, such as a driver's license or passport. Shareholders who do not present an admission ticket must present proof of ownership of shares. Those shareholders holding shares in brokerage accounts will need to bring a copy of a brokerage statement, a legal proxy or a letter from the broker confirming ownership of Biglari Holdings Inc.'s shares. Registration will begin at [____ p.m./a.m.] Cameras, recording devices, and other electronic devices will not be permitted at the Special Meeting.

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BIGLARI HOLDINGS INC.
175 East Houston Street, Suite 1300
San Antonio, Texas 78205

PROXY STATEMENT FOR
SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON AUGUST 5, 2011

This proxy statement is furnished in connection with the solicitation by the Board of Directors (the “Board”) of Biglari Holdings Inc. (hereinafter “we”, “our,” “Biglari Holdings,” “BH,” the “Company” or the “Corporation”) of proxies in the accompanying form for the Special Meeting of Shareholders to be held at Plaza Club San Antonio, 100 W. Houston, Suite 2100, San Antonio, Texas 78205, on August 5, 2011, at [____ p.m./a.m.], Central Daylight Time, and at any adjournment or postponement thereof (the “Special Meeting”). This proxy statement and the enclosed form of proxy are first being sent to shareholders on or about [_____], 2011.

Solicitation of proxies may be made by mail and through telephonic or telegraphic communications to, or by meetings with, shareholders or their representatives by directors, officers and other employees of the Corporation who will receive no additional compensation for this service. In addition, the Corporation has engaged Morrow & Co., LLC (“Morrow”) to act as our proxy solicitation agent. Morrow will be paid a fee of \$7,000 and will be reimbursed for disbursements made on our behalf. You may obtain information from Morrow as follows: 470 West Avenue—3rd Floor, Stamford, CT 06902; banks and brokerage firms, please call (203) 658-9400; shareholders please call (800) 267-0201. The cost of preparing, printing and mailing this proxy statement and the accompanying form of proxy, and the cost of soliciting proxies related to the Special Meeting, will be borne by the Corporation. The Corporation will reimburse brokerage firms, banks, trustees and others for their actual out-of-pocket expenses in forwarding proxy material to the beneficial owners of the common stock, stated value \$0.50 per share (the “Common Stock”), of the Corporation.

The Board has fixed the close of business on July 1, 2011 as the record date for determining which shareholders have the right to vote at the Special Meeting (the “Record Date”). As of the Record Date, the Corporation had outstanding and entitled to vote [_____] shares of Common Stock. Each share of Common Stock is entitled to one vote per share on all matters submitted to a vote of shareholders of the Corporation. Only shareholders of record at the close of business on the Record Date are entitled to vote at the Special Meeting.

The presence at the Special Meeting, in person or by proxy, of the holders of Common Stock holding in the aggregate a majority of the voting power of the Corporation’s stock entitled to vote shall constitute a quorum for the transaction of business.

The affirmative vote of a majority of the Common Stock present in person or represented by proxy and entitled to vote at the Special Meeting is required to approve the proposal to amend the Corporation’s Amended and Restated Articles of Incorporation to create a dual classification of its common stock (the “Proposal”).

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Shareholders may vote “FOR,” “AGAINST” or “ABSTAIN” with respect to the Proposal. In addition, a broker “non-vote” occurs when a nominee holding shares of Common Stock for the beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received instructions from the beneficial owner. Brokers that do not receive instructions from the beneficial owners of shares of Common Stock are not entitled to vote on the Proposal. Abstentions will be counted as present and entitled to vote for purposes of determining a quorum at the Special Meeting, but will not count as votes cast. Therefore, abstentions have the same effect as a vote against the Proposal. Shares held in the name of a broker that does not receive instructions from the beneficial owner of the shares will not be considered present and entitled to vote on the Proposal and generally will have no effect on the outcome of the vote on the Proposal.

Shareholders that submit a proxy may revoke their proxy or change their vote at any time prior to the Special Meeting by: (1) sending a written revocation to the Secretary of the Corporation; (2) submitting a new proxy bearing a later date in accordance with the instructions on your proxy card or provided by your broker or bank; or (3) attending the Special Meeting and voting your shares in person. Shareholders who send in proxies but attend the Special Meeting in person may vote directly if they prefer and withdraw their proxies or may allow their proxies to be voted with the similar proxies sent in by other shareholders.

Under Indiana law, our shareholders are not entitled to appraisal rights or other similar rights in connection with any of the proposals to be voted upon at the Special Meeting.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SPECIAL MEETING TO BE HELD ON AUGUST 5, 2011.

The Proxy Statement for the Special Meeting of Shareholders to be held on August 5, 2011 is available at [www.biglariholdings.com/\[specialmeeting\]](http://www.biglariholdings.com/[specialmeeting]).

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PROPOSAL ONE:

PROPOSED AMENDMENT TO AMENDED AND RESTATED ARTICLES OF INCORPORATION

The Board has approved and recommends to the shareholders the adoption of an amendment to Article V of our Amended and Restated Articles of Incorporation (the "Amendment"). The Amendment would (a) increase the total number of shares of all classes of stock that we are authorized to issue from the current 12,500,000 shares to 60,000,000, (b) redesignate the existing Common Stock as Class A Common Stock and reduce the authorized number of shares of the redesignated Class A Common Stock from 2,500,000 to 2,000,000, and (c) approve the issuance of 48,000,000 shares of a new Class B Common Stock, each share of which would have economic rights equivalent to one-fifth (1/5th) of a share of Class A Common Stock, and would have one-one-hundredth (1/100th) of the vote of a share of Class A Common Stock. The Amendment is attached to this proxy statement as Exhibit A. The summary of the Amendment contained in this proposal should be read in conjunction with and is qualified in its entirety by reference to the full text of the proposed Amendment set forth in Exhibit A.

For the purpose of creating an initial, timely supply of Class B shares, we currently intend to issue the Class B shares through a pro rata dividend on the Class A shares at a rate of ten (10) Class B shares for each Class A share outstanding. Shareholders should note that the proposed issuance of Class B shares in the form of a stock dividend will not mean that a shareholder of the Company will be diluted, nor will his or her voting power be minimized.

Background and Reasons for the Proposal

The Board believes that the acceptance of the Amendment, including the dual structure of the stocks, is absolutely critical to maximizing long-term shareholder value and is therefore in the best interests of our shareholders. The Board thinks that the creation of a capital structure with both full-voting Class A Common Stock and a potentially more liquid Class B Common Stock with reduced economic and voting rights will offer several potential benefits to its shareholders.

Biglari Holdings is in the business of acquiring other businesses. The logic underlying the dual class structure indicates that we could gain increased flexibility in structuring acquisitions and financing transactions to augment our growth. As a holding company, we believe that the greater suppleness stemming from our proposal would transform into a strategic advantage in our pursuit of other businesses. We anticipate that we will utilize the authorized but unissued shares of Class B Common Stock for general corporate purposes, such as for public offerings or privately negotiated transactions. We may also apply such stock to acquire other businesses or combinations thereof. Any such issuance of Class B Common Stock (subject to shareholder approval as required by the rules of the New York Stock Exchange) would advance the size of the Company but would decrease the relative equity ownership, and, to a lesser extent, the voting power of our existing shareholders. Although we constantly examine and evaluate acquisitions and financing alternatives, we do not presently have any agreement or arrangement involving the issuance of any Class B Common Stock in connection with any acquisitions or other transactions. Furthermore, the Board and the management do not believe the Company's stock is overvalued. The timing of the Special Meeting is unrelated to the current stock price; instead, the meeting's occurrence is tied to our previously announced plans for the authorization and initial issuance of the Class B shares.

Biglari Holdings wants to continue to attract only those shareholders who understand our modus operandi and thus would become long-term partners. To attain the double goal of attracting long-term owners and gaining the ability to issue a low priced stock, we believe it is absolutely essential to create a binary class structure. The higher priced Class A stock would appeal to those interested in long-term shareholder participation, whereas the lower priced Class B stock would facilitate stock-for-stock transactions. In contrast, a stock-for-stock acquisition involving a high stock price would negate the benefits of a transaction by small shareholders who may be unable to participate in the

exchange.

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We seek long-term investors who understand that a company's value is the same regardless of how many pieces into which it is sliced. However, we believe a dual class structure has enormous merit and could be parlayed into greater value for all shareholders of the Company. The Board thinks that a second class of stock with divergent characteristics from the current one could, under effective execution, generate value for its shareholders.

We also are convinced that the Class B Common Stock, once circulated, will provide more choice and adaptability to our existing and potential investors. Given that each share of Class B Common Stock is the economic equivalent of 1/5th of a share of Class A Common Stock, we would expect, although we cannot guarantee the premise, a more liquid market for the Class B Common Stock than currently exists for the Class A Common Stock, the closing price for which was \$[_____] on [____], 2011, the last full trading day before the date of this proxy statement. As an equity security, the Class B Common Stock clearly would participate in any future growth the Corporation may experience. Our Class A Common Stock is listed, and, subject to shareholder approval of the Amendment, we expect the Class B Common Stock to be listed on the New York Stock Exchange.

Shares of the Class B Common Stock would entitle holders to attributes of the Class A stock, such as the power to vote on matters put to Biglari Holdings' shareholders, the right to receive Biglari Holdings' annual report and other shareholder communications, and the prerogative of attending meetings of BH's shareholders. See "Summary of the Amendment" for further information on the relative powers, rights, and qualifications of the Class A Common Stock and Class B Common Stock.

The following is a summary of the material terms of the Amendment. This précis is qualified in its entirety by reference to the complete text of the Amendment, which is attached to this proxy statement as Exhibit A. Shareholders are strongly urged to read the entire text of the Amendment.

Summary of the Amendment

Number and Classes of Shares. Our authorized capital stock is currently 12,500,000 shares, consisting of 2,500,000 shares of Common Stock, of which [_____] shares were outstanding as of the Record Date, along with 10,000,000 shares of Preferred Stock, none of which are outstanding. If it is passed, the amendment modifies our capitalization so that, upon filing the Amendment with the Secretary of State of the State of Indiana, our authorized capital stock will total 60,000,000 shares, consisting of 2,000,000 shares of Class A Common Stock, 48,000,000 shares of Class B Common Stock, and 10,000,000 shares of Preferred Stock.

Dividends and Distributions. Each share of Class B Common Stock will have the right to receive one-fifth (1/5th) of the amount of any dividend or other distribution (including liquidating distributions) per share declared on shares of the Class A Common Stock, payable in the same form and at the same time as dividends or distributions with respect to the Class A Common Stock. However, dividends or distributions payable in stock of the Corporation will be payable to holders of Class A shares in Class A shares and to holders of Class B shares in Class B shares, unless otherwise specifically designated by resolution of the Board, e.g., a stock dividend that we may determine to undertake to implement the initial issuance of the Class B shares. Shareholders should note that we have not paid a cash dividend on our Common Stock in the last two fiscal years and have no present intention of doing so in the future.

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Voting. Each share of our Class A Common Stock will continue to be entitled to one vote per share and each share of our Class B Common Stock will be entitled to one-one-hundredth (1/100th) of one vote per share on all matters submitted to a vote of shareholders of the Corporation. The Class A Common Stock and Class B Common Stock will vote together as one class on all matters except as otherwise required by applicable law. Neither the holders of Class A Common Stock nor Class B Common Stock will be entitled to cumulative voting rights related to the election of directors, which means that the holders of a majority of the aggregate voting power of the shares voted can elect all of the directors then standing for election.

Conversion. Neither the Class A Common Stock nor the Class B Common Stock will be convertible into the other or into any other security of the Corporation.

Preemptive or Similar Rights. Neither the Class A Common Stock nor the Class B Common Stock will carry any preemptive rights, redemption, or sinking fund provisions.

Effectiveness. The Amendment will become effective upon its filing with the Secretary of State of the State of Indiana after approval by our shareholders. Upon the filing of the Amendment with the Indiana Secretary of State, each outstanding share of Common Stock and each share of Common Stock we hold as treasury shares will be reclassified as and changed into one share of Class A Common Stock. Shareholders do not need to, and in fact are requested not to, submit their certificates representing Common Stock for reissuance as Class A Common Stock. Outstanding certificates representative of shares of Common Stock will be deemed as representing Class A Common Stock following the effective date of the Amendment, assuming shareholder approval. Certificates of Class A Common Stock will be issued in the normal course as transfers occur. The Amendment also eliminates the designation of our Series A Preferred Stock created in connection with our shareholder rights plan, which has expired.

There may be some delay between the Special Meeting and the filing and effectiveness of the Amendment, assuming that it is sanctioned. We will notify shareholders at the Special Meeting or by subsequent communication of the exact time when the Amendment becomes effective and the present Common Stock becomes the Class A Common Stock.

Trading in Class B Common Stock

For the purpose of creating an initial, timely supply of Class B shares, we currently intend to issue the Class B shares through a pro rata dividend on the Class A shares at a rate of ten (10) Class B shares for each Class A share outstanding, although there can be no assurance of the timing of any such dividend. By way of example, if you own 100 shares of the Company's stock as of the record date for the dividend, you would get 1,000 shares of Class B stock (and would also continue to own the 100 shares of Class A stock). We fully expect that the total value of your position would not change; rather, it would be divided between two classes of stock.

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Each Class B share is the economic equivalent of 1/5th of a Class A share. The market price of shares of the Class A Common Stock and Class B Common Stock, when issued, will depend on many factors, including, among others, our future performance, general market conditions, market activity in the Class A and Class B shares, and other pertinent factors. Accordingly, we cannot predict the market prices at which the Class A Common Stock and the Class B Common Stock, when issued, will trade following the adoption of the Amendment. We have designed the stocks so that the two classes are able to maintain an appropriate relationship between the market prices of each. Market factors can negatively influence this relationship, which in turn could impact the future prospect of issuing the Class B Common Stock.

Following the redesignation of our existing Common Stock as Class A Common Stock, the Class A Common Stock is expected to continue to be listed on the New York Stock Exchange. After its initial issuance, the Class B Common Stock is also expected to be listed on the New York Stock Exchange.

Shareholders should note that the proposed issuance of Class B shares in the form of a stock dividend will not mean that a shareholder of the Company will be diluted, nor will his or her voting power be minimized. After all, the dividend will accrue to existing shareholders as of the record date, and all shareholders will be treated equally. Therefore, the recapitalization by itself cannot diminish a current shareholder's relative ownership or voting power. Furthermore, the issuance of new Class B shares in the form of a stock dividend will not result in any diminution of the intrinsic value of the Company.

Certain Federal Income Tax Consequences

The following is a summary of certain U.S. Federal income tax consequences to shareholders of the redesignation of our existing Common Stock as Class A Common Stock and the proposed issuance of Class B shares in the form of a stock dividend. We have been advised that, in general, for federal income tax purposes, neither the redesignation of the existing Common Stock into Class A Common Stock nor the proposed stock dividend of Class B Common Stock will be taxable to a shareholder of the Company. We have also been advised that, generally, a shareholder's cost or other basis of the shares of existing Common Stock he or she holds on the date of the proposed stock dividend of Class B Common Stock will be apportioned between the redesignated Class A Common Stock and the Class B Common Stock issued in the proposed stock dividend in proportion to the fair market value of the shares of each class of stock on the date of the dividend. If a shareholder's shares of existing Common Stock were held as capital assets immediately before the effectiveness of the Amendment, we have been advised that the holding period for each share of Class A Common Stock and Class B Common Stock will generally include such shareholder's holding period for the share of existing Common Stock into which such Class A Common Stock is redesignated and with respect to which such Class B Common Stock is distributed. Gain or loss would be recognized, however, on the subsequent sale of shares of Class A Common Stock and shares of Class B Common Stock. Shareholders are urged to seek the advice of their tax advisors on these matters and on state and foreign income tax matters based on the shareholder's particular circumstances.

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Vote Required

If a quorum of shareholders is present, approval of the Amendment will require the affirmative vote of a majority of the Common Stock present in person or represented by proxy and entitled to vote at the Special Meeting.

Our Board unanimously recommends that shareholders vote FOR the adoption of the Amendment. Properly dated and signed proxies will be so voted unless shareholders specify otherwise.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table shows as of [_____], 2011 the number and percentage of outstanding shares of our Common Stock beneficially owned by each person or entity known to be the beneficial owner of more than 5% of our Common Stock:

Name & Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
The Lion Fund, L.P. 175 East Houston Street, Suite 1300 San Antonio, Texas 78205	216,796 (1)	15.1
GAMCO Investors, Inc. One Corporate Center Rye, New York 10580-1435	131,080 (2)	9.1
Dimensional Fund Advisors LP Palisades West, Building One 6300 Bee Cave Road Austin, Texas, 78746	92,326 (3)	6.4
Blackrock, Inc. 40 East 52nd Street New York, NY 10022	118,970 (4)	8.3
The Vanguard Group, Inc. 100 Vanguard Blvd. Malvern, PA 19355	72,658 (5)	5.1

1) This information was obtained from a Schedule 13D/A filed with the Securities and Exchange Commission (the "Commission") on June 24, 2010 by The Lion Fund, L.P. (the "Lion Fund"), Biglari Capital Corp., Western Sizzlin Corporation, Western Acquisitions L.P. ("Western Acquisitions"), Western Investments Inc., Sardar Biglari, Philip L. Cooley, the Steak n Shake 401(k) Savings Plan (the "401(k) Plan") and the Steak n Shake Non-Qualified Savings Plan (the "Deferred Compensation Plan"), and the last Form 4 filed with the Commission by certain of the foregoing persons. By virtue of his relationships with the other reporting persons discussed in the Schedule 13D/A, Mr. Biglari may be deemed to have the sole power to vote and dispose of the shares beneficially owned by the reporting persons, other than the shares held under each of the 401(k) Plan and the Deferred Compensation Plan and the shares beneficially owned by Dr. Cooley. Mr. Biglari has sole power to direct the voting of the shares held under each of the 401(k) Plan and the Deferred Compensation Plan. Mr. Biglari shares with Dr. Cooley the power to vote and dispose of the shares beneficially owned by Dr. Cooley. Mr. Biglari disclaims beneficial ownership of the shares that he does not directly own.

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- 2) This information was obtained from a Schedule 13D/A filed with the Commission on June 4, 2010.
- 3) This information was obtained from a Schedule 13G/A filed with the Commission on February 11, 2011.
- 4) This information was obtained from a Schedule 13G/A filed with the Commission on February 2, 2011.
- 5) This information was obtained from a Schedule 13G filed with the Commission on February 10, 2011.

The following table shows the total number of shares of our Common Stock beneficially owned as of [____], 2011 and the percentage of outstanding shares for (i) each of our directors, (ii) each Named Executive Officer identified as such in the Corporation's proxy statement with respect to its annual meeting of shareholders filed with the Commission on March 9, 2011, and (iii) all directors and executive officers, as a group:

Name & Address of Beneficial Owner	Amount and Nature of Beneficial Ownership		Percent of Class
Sardar Biglari	216,796	(1)	15.1
Philip L. Cooley	4,552	(2)	*
Duane E. Geiger	3,305	(3)	*
Kenneth R. Cooper	45		*
Ruth J. Person	607	(4)	*
John W. Ryan	1,066	(5)	*
All directors and executive officers as a group (6 persons)	221,704	(6)	15.5

* Less than 1%

All information provided in the above tables reflects the 1-for-20 reverse stock split of our Common Stock effective as of the end of business December 18, 2009.

- 1) Includes 5,660 shares owned directly by Mr. Biglari, 203,357 shares owned directly by the Lion Fund, 2,386 shares owned directly by Western Acquisitions, 753 shares held under the 401(k) Plan, 88 shares held under the Deferred Compensation Plan and 4,552 shares beneficially owned by Dr. Cooley. See footnote 1 above.
- 2) Includes 550 shares owned by Dr. Cooley's spouse. Dr. Cooley disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein.
- 3) Includes 1,905 shares that may be acquired pursuant to stock options exercisable within 60 days and 115 shares held under the 401(k) Plan.

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- 4) Includes 250 shares that may be acquired pursuant to stock options exercisable within 60 days.
- 5) Includes 250 shares that may be acquired pursuant to stock options exercisable within 60 days.
- 6) Includes 2,405 shares that may be acquired pursuant to stock options exercisable within 60 days.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this proxy statement constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and are including this statement for purposes of invoking these safe harbor provisions. You can identify these statements from our use of the words "plan," "forecast," "estimate," "project," "believe," "intend," "anticipate," "expect," "target," "is likely," "will," and other expressions. These forward-looking statements may include, among other things:

- statements and assumptions relating to financial performance;
- statements relating to the anticipated effects on results of operations or financial condition of recent or future developments or events;
 - statements relating to our capital raising activities, business and growth strategies; and
 - any other statements, projections or assumptions that are not historical facts.

Forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause our actual results, performance or achievements to differ materially from our expectations of future results, performance or achievements expressed or implied by these forward-looking statements. In addition, our past results of operations do not necessarily indicate our future results. We discuss these and other uncertainties in the "Risk Factors" section of our Annual Report on Form 10-K for the fiscal year ended September 29, 2010. We undertake no obligation to update publicly any of these statements in light of future events.

PROPOSALS BY SHAREHOLDERS

Any shareholder proposal intended to be considered for inclusion in the proxy statement for presentation at the Corporation's 2012 annual meeting of shareholders must be received by the Corporation by November 10, 2011. The proposal must be in accordance with the provisions of Rule 14a-8 promulgated by the Commission under the Exchange Act. It is suggested the proposal be submitted by certified mail – return receipt requested. The Corporation reserves the right to reject, rule out of order, or take other appropriate action with respect to any proposal that does not comply with these and other applicable requirements.

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OTHER MATTERS

As of the date of this proxy statement, our Board does not know of any matter that will be presented for consideration at the Special Meeting other than as described in this proxy statement. As to other business that may properly come before the Special Meeting, it is intended that proxies properly executed and returned will be voted in respect thereof at the discretion of the person voting the proxies in accordance with his best judgment.