

BIGLARI HOLDINGS INC.
Form PRER14A
February 24, 2015

Table of Contents

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. 1)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- | | | | |
|-------------------------------------|---|--------------------------|---------------------------------------|
| <input checked="" type="checkbox"/> | Preliminary Proxy Statement | <input type="checkbox"/> | Soliciting Material Under Rule 14a-12 |
| <input type="checkbox"/> | Confidential, For Use of the
Commission Only (as permitted
by Rule 14a-6(e)(2)) | | |
| <input type="checkbox"/> | Definitive Proxy Statement | | |
| <input type="checkbox"/> | Definitive Additional Materials | | |

BIGLARI HOLDINGS 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)(4) 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 statement number, or the form or schedule and the date of its filing.

Edgar Filing: BIGLARI HOLDINGS INC. - Form PRER14A

- 1) Amount previously paid:
 - 2) Form, Schedule or Registration Statement No.:
 - 3) Filing Party:
 - 4) Date Filed:
-

Table of Contents

1 pm Eastern Daylight Time - April 9, 2015
The St. Regis Hotel, Two East 55th Street at Fifth Avenue, New York, New York 10022

Table of Contents

Table of Contents

<u>Notice of Annual Meeting of Shareholders</u>	<u>1</u>
<u>Proxy Statement</u>	<u>3</u>
<u>General Information</u>	<u>3</u>
<u>Voting Matters</u>	<u>4</u>
<u>Proposal One: Election of Directors</u>	<u>8</u>
<u>Director Nominees</u>	<u>8</u>
<u>Background to Potential Contested Solicitation</u>	<u>10</u>
<u>Board Meetings, Committees and Nominations</u>	<u>10</u>
<u>Board Leadership Structure and Role in Risk Oversight</u>	<u>11</u>
<u>Director Compensation</u>	<u>12</u>
<u>Meetings of Independent Directors</u>	<u>12</u>
<u>Shareholder Communications with the Board</u>	<u>12</u>
<u>Corporate Governance Guidelines</u>	<u>13</u>
<u>Code of Business Conduct and Ethics</u>	<u>13</u>
<u>Non-Employee Director Stock Ownership Guidelines</u>	<u>13</u>
<u>Executive Officers</u>	<u>13</u>
<u>Proposal Two: Ratification of Selection of Independent Registered Public Accounting Firm</u>	<u>14</u>
<u>Required Vote</u>	<u>14</u>
<u>Proposal Three: Advisory Vote on Executive Compensation</u>	<u>15</u>
<u>Background</u>	<u>15</u>
<u>Non-Binding Advisory Resolution</u>	<u>15</u>
<u>Required Vote</u>	<u>15</u>
<u>Executive Compensation</u>	<u>16</u>
<u>Compensation Discussion and Analysis</u>	<u>16</u>
<u>Executive Summary</u>	<u>16</u>
<u>Compensation of Chief Executive Officer</u>	<u>18</u>
<u>Management of Investments</u>	<u>23</u>
<u>Compensation of Controller</u>	<u>23</u>
<u>Employment Agreements, Severance, and Change-in-</u>	

<u>Control Arrangements</u>	<u>23</u>
<u>Benefits Provided, and Not Provided, by the Company</u>	<u>23</u>
<u>Deductibility Cap on Executive Compensation</u>	<u>23</u>
<u>Compensation Policies Relating to Risk Management</u>	<u>24</u>
<u>Summary Compensation Information</u>	<u>24</u>
<u>Narrative Disclosure to Summary Compensation Table</u>	<u>24</u>
<u>Plan-Based Award Grants; Outstanding Equity Awards; Award Exercise and Vesting</u>	<u>24</u>
<u>Retirement Benefits</u>	<u>24</u>
<u>Potential Payments Upon Termination of Employment</u>	<u>25</u>

Table of Contents

<u>Section 16(a) Beneficial Ownership</u>	
<u>Reporting Compliance</u>	<u>25</u>
<u>Securities Authorized for</u>	
<u>Issuance Under Equity</u>	
<u>Compensation Plans</u>	<u>25</u>
<u>Compensation Committee</u>	
<u>Interlocks and Insider</u>	
<u>Participation</u>	<u>25</u>
<u>Governance, Compensation,</u>	
<u>and Nominating</u>	
<u>Committee Report</u>	<u>26</u>
<u>Security Ownership of</u>	
<u>Certain Beneficial</u>	
<u>Owners and Management</u>	<u>26</u>
<u>Related Person</u>	
<u>Transactions</u>	<u>28</u>
<u>Policy Regarding Related</u>	
<u>Person Transactions</u>	<u>28</u>
<u>Related Person Transactions</u>	<u>28</u>
<u>Independent Public</u>	
<u>Accountants</u>	<u>31</u>
<u>Report of the</u>	
<u>Audit Committee</u>	<u>31</u>
<u>Special Note Regarding</u>	
<u>Forward-Looking</u>	
<u>Statements</u>	<u>32</u>
<u>Annual Report</u>	<u>32</u>
<u>Proposals by Shareholders</u>	<u>32</u>
<u>Other Matters</u>	<u>33</u>
<u>Annex A: Information</u>	
<u>Concerning Participants in the</u>	
<u>Company s Solicitation</u>	
<u>of Proxies</u>	<u>34</u>

Table of Contents

PRELIMINARY COPY – SUBJECT TO COMPLETION, DATED FEBRUARY 24, 2015

BIGLARI HOLDINGS INC.

17802 IH 10 WEST, SUITE 400
SAN ANTONIO, TEXAS 78257

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

April 9, 2015

To the Shareholders of Biglari Holdings Inc.:

You are cordially invited to attend the annual meeting (the Annual Meeting) of the shareholders of Biglari Holdings Inc. (the Corporation or Biglari Holdings) to be held at The St. Regis Hotel, Two East 55th Street at Fifth Avenue, New York, New York 10022, on April 9, 2015, at 1:00 p.m., Eastern Daylight Time, for the following purposes:

1. To elect six directors.
2. To ratify the selection by the Audit Committee of the Board of Directors (the Board) of Deloitte & Touche LLP as the Corporation's independent registered public accounting firm for the 2015 fiscal year.
3. To vote on a non-binding advisory resolution to approve the compensation of the Corporation's Named Executive Officers, as described in the enclosed proxy statement.
4. To transact such other business as may properly be brought before the Annual Meeting or any adjournment or postponement thereof.

The Board has fixed the close of business on [_____], 2015 as the record date for determining which shareholders have the right to vote at the Annual Meeting or at any adjournment thereof.

YOUR VOTE IS IMPORTANT. We urge you to read the accompanying proxy statement carefully and vote FOR the nominees proposed by the Board of Directors of Biglari Holdings and in accordance with the Board's recommendations on the other proposals by using the enclosed BLUE proxy card. You may either vote by telephone or by Internet by following the instructions on the BLUE proxy card, or sign, date and return the enclosed BLUE proxy card in the enclosed postage-paid envelope provided. If you are a beneficial owner or you hold your shares in street name, please follow the voting instructions provided by your bank, broker or other nominee.

Please note that Groveland Capital LLC and certain of its affiliates (collectively, Groveland) have presented notice to the Company that Groveland intends to nominate six alternative director candidates for election at the Annual Meeting in opposition to, and to replace all of, the nominees recommended by our Board of Directors. **Our Board of Directors does not endorse the election of Groveland's nominees.** You may receive proxy solicitation materials from Groveland, including its proxy statements and proxy cards. We are not responsible for the accuracy of any information provided by or related to Groveland or its nominees contained in any proxy solicitation materials filed or disseminated by, or on behalf of, Groveland or any other statements that Groveland may otherwise make.

OUR BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF EACH OF OUR BOARD NOMINEES USING THE ENCLOSED BLUE PROXY CARD AND URGES YOU NOT TO SIGN OR RETURN OR VOTE ANY PROXY CARD SENT TO YOU BY GROVELAND.

www.biglariholdings.com 1

Table of Contents

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Even if you have previously voted a proxy card sent by Groveland, you have the right to change your vote by telephone or by Internet by following the instructions on the **BLUE** proxy card, or by signing, dating and returning the enclosed **BLUE** proxy card in the provided postage-paid envelope. Only the latest dated proxy card you vote will be counted. If you are a beneficial owner or you hold your shares in street name, please follow the voting instructions provided by your bank, broker or other nominee to change your vote.

We look forward to seeing you at the Annual Meeting.

By order of the Board,

Sardar Biglari
Chairman and Chief Executive Officer

San Antonio, Texas
[_____], 2015

*If you are a shareholder of record and you plan to attend the meeting, please keep the admission ticket that is attached to the enclosed **BLUE** proxy card because you must present this ticket to be admitted to the 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 12:00 p.m. Cameras, recording devices, and other electronic devices will not be permitted at the meeting.*

2 [Biglari Holdings 2015 Proxy Statement](#)

Table of Contents

BIGLARI HOLDINGS INC.

17802 IH 10 WEST, SUITE 400
SAN ANTONIO, TEXAS 78257

**PROXY STATEMENT FOR
ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON APRIL 9, 2015**

This proxy statement is furnished in connection with the solicitation by the Board of Directors (the Board) of Biglari Holdings Inc. (hereinafter we, our, BH, Biglari Holdings, Corporation or Company) of proxies in the accompanying form for the Annual Meeting of Shareholders to be held at The St. Regis Hotel, Two East 55th Street at Fifth Avenue, New York, New York 10022, on April 9, 2015, at 1:00 p.m., Eastern Daylight Time, and at any adjournment or postponement thereof (the Annual Meeting). This proxy statement and the enclosed form of proxy are first being sent to shareholders on or about [____], 2015.

GENERAL INFORMATION

Why am I receiving a proxy statement?

You are receiving this document because you were one of our shareholders on [____], 2015, the record date for our Annual Meeting. We are sending this proxy statement and the form of **BLUE** proxy card to you in order to solicit your proxy to vote your shares of Biglari Holdings common stock, stated value \$0.50 per share (the Common Stock), upon certain matters at the Annual Meeting.

What does it mean if I receive more than one proxy statement or BLUE proxy card?

If you receive multiple proxy statements or **BLUE** proxy cards, that may mean that you have more than one account with brokers or our transfer agent. Please vote all of your shares.

If Groveland proceeds with its previously announced alternative director nominations, we will likely conduct multiple mailings prior to the Annual Meeting date to ensure 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. The latest dated proxy you submit will be counted, and if you wish to vote as recommended by the Board, then you should only submit **BLUE** proxy cards.

What information is available on the Internet?

This proxy statement, our Annual Report on Form 10-K and other financial documents are available free of charge at the Securities and Exchange Commission's (the SEC) website, www.sec.gov. Our proxy statement and annual report to shareholders are available on our corporate website, www.biglariholdings.com.

Are you householding for shareholders sharing the same address?

Yes. The SEC's rules regarding the delivery of proxy materials to shareholders permit us to deliver a single copy of these documents to an address shared by two or more of our shareholders. This

method of delivery is called householding, and it can significantly reduce our printing and mailing costs. It also reduces the volume of mail you receive. This year, we are delivering only one set of proxy materials to multiple shareholders sharing an address, unless we receive instructions to the contrary from one or more of the shareholders. We will still be required, however, to send you and each other Biglari Holdings shareholder at your address an individual **BLUE** proxy voting card. If you would like to receive more than one set of proxy materials, we will promptly send you additional copies upon written or oral request directed to our Corporate Secretary at 17802 IH 10 West, Suite 400, San Antonio, Texas 78257. The same phone number and address may be used to notify us that you wish to receive a separate set of proxy materials

in the future, or to request delivery of a single copy of our proxy materials if you are receiving multiple copies.

Is there any other information that I should be receiving?

Yes. You should have already received a copy of our 2014 annual report to shareholders, which contains financial and other information about the Company and our most recently completed fiscal year, which ended September 24, 2014.

Who pays for the Company's solicitation of proxies?

We will pay for the entire cost of soliciting proxies on behalf of the Company. We will also reimburse brokerage firms, banks and other agents for the cost of forwarding the Company's proxy materials to beneficial owners. In addition, our directors, officers and other employees may solicit proxies in person, by mail, by telephone, via the Internet, press releases or advertisements. Directors, officers and other employees will not be paid any additional compensation for soliciting proxies. Okapi Partners LLC (Okapi), our proxy solicitor, will be paid a fee, estimated to be about \$[_____], plus reimbursement of expenses, for rendering solicitation services.

Okapi expects that approximately [____] of its employees will assist in the solicitation. Okapi will ask brokerage houses and other custodians and nominees whether other persons are beneficial owners of our Common Stock.

Table of Contents

PROXY STATEMENT FOR ANNUAL MEETING OF SHAREHOLDERS

We have also engaged Alliance Advisors, LLC (Alliance) to perform certain services for a fee estimated to be about \$[_____], plus reimbursement of expenses. Alliance expects that approximately [____] of its employees will assist in its efforts.

Our aggregate expenses related to our solicitation of proxies 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 regular employees, are expected to be approximately \$[_____], of which approximately \$[_____] has been spent to date. Annex A sets forth information relating to our directors, officers and other employees who are considered participants in our solicitation under the rules of the SEC by reason of their position as directors of the Company or because they may be soliciting proxies on our behalf.

You may obtain information from Okapi as follows:

OKAPI PARTNERS LLC
437 Madison Avenue, 28th Floor
New York, NY 10022
(212) 297-0720
Shareholders Call Toll-Free at: (877) 279-2311
E-mail: info@okapipartners.com

Who may attend the Annual Meeting?

The Annual Meeting is open to all of our shareholders. To attend the meeting, you will need to register upon arrival. If you are a shareholder of record and you plan to attend the meeting, please keep the admission ticket that is attached to the enclosed **BLUE** proxy card because you must present this ticket to be admitted to the 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' shares. If we cannot verify that you own Biglari Holdings shares, you will not be admitted to the meeting.

Who will count the votes cast at the Annual Meeting?

The Board will appoint an independent inspector of election to serve at the Annual Meeting. The independent inspector of election for the Annual Meeting will determine the number of votes cast by holders of the Common Stock for all matters. Preliminary voting results will be announced at the Annual Meeting, if practicable.

How can I find the voting results of the Annual Meeting?

We will include the voting results in a Current Report on Form 8-K, which we will file with the SEC no later than four business days following the completion of the Annual Meeting.

VOTING MATTERS

What am I voting on at the Annual Meeting?

You will be voting on the following matters:

The election of six directors.

The ratification of the selection by the Audit Committee of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the 2015 fiscal year.

The approval of a non-binding advisory resolution regarding the compensation of the Company's Named Executives Officers, as described in this proxy statement.

Has the Company been notified that a shareholder intends to propose alternative director nominees at the Annual Meeting?

Yes. Groveland Capital LLC and certain of its affiliates (collectively, "Groveland") have notified the Company of their intention to propose six alternative director nominees for election at the Annual Meeting in opposition to, and to replace all of, the nominees recommended by our Board. Our Board of Directors unanimously recommends a vote **FOR** each of the Board's nominees for director on the enclosed **BLUE** proxy card. The Groveland nominees have **NOT** been endorsed by our Board of Directors. We are not responsible for the accuracy of any information provided by or related to Groveland or its nominees contained in any proxy solicitation materials filed or disseminated by, or on behalf of, Groveland or any other statements that Groveland may otherwise make.

Who is entitled to vote?

You may vote if you owned shares of our Common Stock at the close of business on [_____], 2015. As of [_____], 2015, there were [_____] shares of our Common Stock outstanding.

Table of Contents

PROXY STATEMENT FOR ANNUAL MEETING OF SHAREHOLDERS

How many votes must be present to hold the Annual Meeting?

The presence at the Annual 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.

How many votes do I have and can I cumulate my votes?

You have one vote for every share of our Common Stock that you own. Cumulative voting is not allowed.

May I vote my shares in person at the Annual Meeting?

Yes. You may vote your shares at the meeting if you attend in person, even if you previously submitted a proxy card or voted by Internet or telephone. Whether or not you plan to attend the meeting in person, however, in order to assist us in tabulating votes at the Annual Meeting, we encourage you to vote by returning your **BLUE** proxy card or by using the telephone or Internet.

How do I vote before the meeting?

Before the meeting, you may vote your shares in one of the following three ways:

by completing, signing and returning the enclosed BLUE proxy card in the postage-paid envelope	by telephone (within the United States and Canada) by calling the toll-free number located on your BLUE proxy card	by Internet by following the directions on your BLUE proxy card
---	---	--

Please use only one of the three ways to vote. Please follow the directions on your **BLUE** proxy card carefully. If you hold shares in the name of a broker, your ability to vote those shares by Internet or telephone depends on the voting procedures used by your broker, as explained below under the question "How do I vote if my broker holds my shares in street name?"

How do I vote if my broker holds my shares in street name?

If your shares are held in a brokerage account in the name of your bank or broker (this is called street name), your bank or broker will send you a voting instruction form that requests directions for voting those shares. Many (but not all) brokerage firms and banks provide Internet and telephone voting options.

What is a broker non-vote?

If you own shares through a broker in street name, you may instruct your broker how to vote your shares. A broker non-vote occurs when you fail to provide your broker with voting instructions *at least ten days before* the Annual Meeting and the broker does not have the discretionary authority to vote your shares on a particular proposal because the proposal is not a routine matter under applicable rules. See "How will abstentions and broker non-votes be treated?" and "Will my shares held in street name be voted if I do not provide my proxy?" below. If, as expected, Groveland initiates a proxy contest, there will be no routine matters.

How will abstentions and broker non-votes be treated?

Abstentions and broker non-votes will be counted as present and entitled to vote for purposes of determining a quorum at the Annual Meeting, but will not count as votes cast. Therefore, abstentions and broker non-votes will have no effect on Proposal 1, the election of directors. However, abstentions and broker non-votes will have the same effect as a vote against Proposals 2 and 3.

Will my shares held in street name be voted if I do not provide my proxy?

Edgar Filing: BIGLARI HOLDINGS INC. - Form PRER14A

If your shares are held in street name, your shares might be voted even if you do not provide the brokerage firm with voting instructions. On certain routine matters, brokerage firms have the discretionary authority to vote shares for which their customers do not provide voting instructions. Unless Groveland initiates a proxy contest, the proposal to ratify the selection of Deloitte & Touche LLP as our independent registered public accounting firm will be considered a routine matter for this purpose. The election of directors and the approval, on an advisory basis, of the compensation of our Named Executive Officers are not considered routine matters, and, therefore, your shares will not be voted on these matters unless you instruct your brokerage firm to vote in a timely manner.

Table of Contents

[PROXY STATEMENT FOR ANNUAL MEETING OF SHAREHOLDERS](#)

How will my proxy be voted?

The individuals named on the **BLUE** proxy card will vote your proxy in the manner you indicate on the **BLUE** proxy card.

What if I return my **BLUE proxy card or vote by Internet or telephone but do not specify my vote?**

If you sign and return your **BLUE** proxy card or complete the Internet or telephone voting procedures but do not specify how you want to vote your shares, we will vote them:

FOR the election of each of the six nominees named in this proxy statement.

FOR ratification of the selection of Deloitte & Touche LLP as our independent registered public accounting firm for the 2015 fiscal year.

FOR the non-binding advisory resolution to approve the compensation of our Named Executive Officers, as described in this proxy statement.

Can I change my mind and revoke my proxy?

Yes. Shareholders who submit a proxy may revoke their proxy or change their vote at any time prior to the Annual Meeting by:

submitting a new proxy bearing a later date in accordance with the instructions on your proxy card or provided by your broker or bank;

sending our Corporate Secretary a written notice of revocation dated later than the date of the proxy;

re-voting by telephone by calling the toll-free number located on your **BLUE** proxy card;

re-voting by the Internet by following the directions on your **BLUE** proxy card; or

attending the Annual Meeting and voting in person note that attendance at the Annual Meeting will not revoke a proxy if you do not actually vote at the Annual Meeting.

If you have previously signed a **WHITE** proxy card sent to you by Groveland, you may change your vote by marking, signing, dating and returning the enclosed **BLUE** proxy card in the accompanying postage-paid envelope or by voting by telephone or via the Internet by following the instructions on your **BLUE** proxy card. Submitting a Groveland proxy card will revoke votes you have previously made via the Company's **BLUE** proxy card.

What vote is required to approve each proposal?

Proposal 1: Election of six directors.

As a result of Groveland's declared intention to propose alternative director nominees, and assuming nominees of Groveland are in fact proposed for election at the Annual Meeting and have not been withdrawn by Groveland, there will be more than six nominees. This means that the six candidates receiving the highest number of **FOR** votes will be elected. This number is called a plurality. A properly executed proxy card marked **WITHHOLD** with respect to the election of a director nominee will be counted for purposes of determining if there is a quorum at the Annual Meeting, but will not be considered to have been voted for the director nominee.

THE ONLY WAY TO SUPPORT ALL SIX OF YOUR BOARD OF DIRECTORS NOMINEES IS TO VOTE FOR THE BOARD S NOMINEES ON THE BLUE PROXY CARD. PLEASE DO NOT SIGN, RETURN OR OTHERWISE VOTE GROVELAND S WHITE PROXY CARD, EVEN IF YOU VOTE WITHHOLD ON ITS DIRECTOR NOMINEES. DOING SO MAY CANCEL ANY PREVIOUS VOTE YOU CAST ON THE COMPANY S BLUE PROXY CARD.

Proposal 2: Ratification of selection of Deloitte & Touche LLP as our independent registered public accounting firm for the 2015 fiscal year.

The affirmative vote of a majority of the Common Stock present in person or represented by proxy and entitled to vote at the Annual Meeting is required to approve Proposal 2, ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the 2015 fiscal year.

Proposal 3: Non-binding advisory resolution to approve the compensation of our Named Executive Officers, as described in this proxy statement.

The affirmative vote of a majority of the Common Stock present in person or represented by proxy and entitled to vote at the Annual Meeting is required to approve Proposal 3, the advisory vote on executive compensation.

How do you recommend that I vote on these items?

The Board of Directors recommends that you vote:

FOR the election of each of the six nominees named in this proxy statement.

FOR ratification of the selection of Deloitte & Touche LLP as our independent registered public accounting firm for the 2015 fiscal year.

FOR the non-binding advisory resolution to approve the compensation of our Named Executive Officers, as described in this proxy statement.

Table of Contents

PROXY STATEMENT FOR ANNUAL MEETING OF SHAREHOLDERS

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

Groveland has proposed six alternative director nominees for election at the Annual Meeting in opposition to, and to replace all of, the nominees recommended by our Board. We expect that you will receive proxy solicitation materials from Groveland, including an opposition proxy statement and WHITE proxy card. Our Board of Directors unanimously recommends that you disregard it. We are not responsible for the accuracy of any information provided by or related to Groveland or its nominees contained in any proxy solicitation materials filed or disseminated by, or on behalf of, Groveland or any other statements that Groveland may otherwise

make. If you have already voted using the WHITE proxy card, you have every right to change your vote by executing and returning the enclosed BLUE proxy card or by voting by telephone or via the Internet by following the instructions provided on the enclosed BLUE proxy card. Only the latest dated proxy you submit will be counted. If you withhold your vote on the Groveland nominees using the WHITE proxy card, your vote will not be counted as a vote for all six of the Board's nominees and will result in the revocation of any previous vote you may have cast on the Company's BLUE proxy card. If you wish to vote pursuant to the recommendation of the Board of Directors, you should disregard any proxy card that you receive other than the BLUE proxy card.

**If you have any questions or need assistance
voting, please call Okapi Partners LLC,
our proxy solicitors**

(877) 279-2311

May other matters be raised at the Annual Meeting?

We have not received proper notice of, and are not aware of, any business to be transacted at the Annual Meeting other than as indicated in this proxy statement. If any other proposal properly comes before the Annual Meeting, the proxies received will be voted on such matter in accordance with the discretion of the proxy holders.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING TO BE HELD ON APRIL 9, 2015.

The Proxy Statement for the Annual Meeting of Shareholders to be held on April 9, 2015 and the Corporation's 2014 Annual Report to Shareholders are available at www.biglariholdings.com/annualmeeting.

Table of Contents

PROPOSAL ONE: ELECTION OF DIRECTORS

Director Nominees

At the Annual Meeting, a Board consisting of six members will be elected, each director to hold office until a successor is elected and qualified, or until the director resigns, is removed or becomes disqualified.

Upon the recommendation of the Governance, Compensation and Nominating Committee, the members of the Board have nominated for election the six current directors of the Corporation, four of whom are independent within the meaning of the listing standards of the New York Stock Exchange.

We believe that each of our six nominees has professional experience in areas relevant to our business and operations and offers the experience, leadership and continuity that is critical to protecting and advancing the long-term interests of our shareholders. Information with respect to our nominees for election as directors, including the experience, qualifications, attributes and skills that led to the selection of each nominee by the Governance, Compensation and Nominating Committee, is contained in the following table:

Sardar Biglari

Age	37
Director Since	2010
Current Position	Chairman of the Board and Chief Executive Officer

Chairman of the Board, Chief Executive Officer and a director of Biglari Holdings since 2010. Mr. Biglari was elected Chairman of the Board of the predecessor to Biglari Holdings (the Predecessor) in June 2008 and appointed Chief Executive Officer in August 2008 following his election to the Board in March 2008. He has been Chairman, Chief Executive Officer and President of Steak n Shake Operations, Inc. (Steak n Shake) since August 2008. He has also served as a director, since December 2005, Chairman, since March 2006, and Chief Executive Officer and President, since May 2007, of Western Sizzlin Corporation (Western), a diversified holding company, which was acquired by the Company in March 2010. In addition, Mr. Biglari has served as Chairman and Chief Executive Officer of Biglari Capital Corp. (Biglari Capital) since its inception in 2000. Biglari Capital is the general partner of The Lion Fund, L.P. and The Lion Fund II, L.P. (collectively, The Lion Fund), private investment funds. Mr. Biglari served as a director of CCA Industries, Inc. (CCA Industries), a manufacturer and marketer of health and beauty aids, from August 2011 to July 2014. Mr. Biglari has extensive business, managerial and investing experience in a broad range of businesses. He also has experience serving on the boards of directors of public companies.

Philip L. Cooley

Age	71
Director Since	2010
Current Position	Vice Chairman of the Board

Vice Chairman of the Board and a director of Biglari Holdings since 2010. Dr. Cooley was appointed Vice Chairman of the Predecessor in April 2009 following his election to the Board in March 2008. Prassel Distinguished Professor of Business at Trinity University, San Antonio, Texas, from 1985 until his retirement in May 2012. Served as an advisory director of Biglari Capital since 2000 and as Vice Chairman and a director of Western from March 2006 and December 2005, respectively, until its acquisition by the Company in March 2010. Director of CCA Industries from August 2011 to July 2014. Dr. Cooley has extensive business and investment knowledge and experience. He also has experience serving on the boards of directors of public companies.

Table of Contents

PROPOSAL ONE: ELECTION OF DIRECTORS

William L. Johnson

Age	72
Director Since	2012
Current Position	Lead Independent Director

Director of Biglari Holdings since February 2012 and Lead Independent Director since December 2014. President and Chief Executive Officer of The Berean Group, LLC, a business consulting firm providing strategic planning, marketing, leadership development and other support services, since June 2002. Vice Chairman of the Board of Fremont Michigan InsuraCorp, Inc., a property and casualty insurance provider, from 2003 until 2011. Former Chairman (from May 1996 to February 2002) and President and Chief Executive Officer (from May 1996 to June 2001) of SEMCO Energy, Inc., a regulated public utility company, and Chief Executive Officer of Northern Pipeline Construction Company, a natural gas construction company, from 1994 to 1996. Mr. Johnson's board-level experience also includes serving as Chairman of UPL Pipeline, LTD, a natural gas distribution company, Lead Director of Granger Group, Inc., a senior living developer, and a board member of Charter Capital Partners, an investment banking firm. Mr. Johnson has leadership, business management, insurance and public company experience.

Ruth J. Person

Age	69
Director Since	2002
Current Position	Independent Director

Director of Biglari Holdings since 2010 and of the Predecessor from 2002 to 2010. Chancellor, University of Michigan-Flint, from 2008 to 2014 and Professor of Management from 2008 to present. Chancellor, Indiana University Kokomo, and Professor of Management from 1999 to 2008. President, American Association of University Administrators, from 2003 to 2004. Dr. Person previously held positions as President, Board of Directors, Workforce Development Strategies, Inc. and as a member of the Key Bank Advisory Board Central Indiana and the Board of Managers, Hurley Medical Center, Flint, Michigan. Dr. Person has years of experience in leadership and board positions at various institutions. Dr. Person has extensive knowledge of Steak n Shake's business.

Kenneth R. Cooper

Age	70
Director Since	2010
Current Position	Independent Director

Director of Biglari Holdings since October 2010. Attorney in the private practice of law at the Kenneth R. Cooper Law Office since 1974, with over 40 years of legal and business experience in real estate transactions and related matters. Served as a director of Western from February 2007 until its acquisition by the Company in March 2010. Mr. Cooper has extensive experience in real estate, business and financial analysis, as well as significant knowledge of Western's business.

James P. Mastrian

Age	72
Director Since	2012
Current Position	Independent Director

Director of Biglari Holdings since August 2012. Mr. Mastrian was the special advisor to the Chairman and Chief Executive Officer of Rite Aid Corporation (Rite Aid) from August 2007 until his retirement in August 2008. Chief Operating Officer of Rite Aid from October 2005 to August

Edgar Filing: BIGLARI HOLDINGS INC. - Form PRER14A

2007. Senior Executive Vice President, Marketing of Rite Aid from October 2000 to October 2005. Mr. Mastrian also held senior marketing positions at Revco D.S., Inc., prior to its acquisition by CVS, from 1990 to 1997 and The Sherwin-Williams Company from 1986 to 1989. Director of CCA Industries from 2009 to August 2012. Mr. Mastrian served in a leadership role in the retail sector, has extensive marketing experience and over 40 years of experience in corporate management.

Table of Contents

PROPOSAL ONE: ELECTION OF DIRECTORS

The Governance, Compensation and Nominating Committee of the Board has concluded that the following directors are independent in accordance with the director independence standards of the New York Stock Exchange, and has determined that none of them has a material relationship with the Corporation which would impair his or her independence from management or otherwise compromise his or her ability to act as an independent director: Kenneth R. Cooper, William L. Johnson, James P. Mastrian and Ruth J. Person.

When the accompanying **BLUE** proxy card is properly executed and returned, the shares it represents will be voted in accordance with the directions indicated thereon or, if no direction is indicated, the shares will be voted **FOR** the election of the six nominees identified above. Each of our nominees has consented to being named in this proxy statement and has agreed to serve, if elected. The Corporation expects each nominee to be able to serve if elected, but if any nominee notifies the Corporation before the Annual Meeting that he or she is unable to do so, then the proxies will be voted for the remainder of those nominated and, as designated by the directors, may be voted for a substitute nominee or nominees.

OUR BOARD UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE FOR EACH OF THE COMPANY'S SIX NOMINEES FOR DIRECTOR ON THE ENCLOSED BLUE PROXY CARD.

Background to Potential Contested Solicitation

On November 21, 2014, Groveland Master Fund Ltd. delivered to the Company a notice nominating six persons for election to the Board at the Annual Meeting (the Notice). As of the date of the Notice, Groveland and its nominees collectively beneficially owned approximately 0.16% of the Company's outstanding shares. Prior to delivering the Notice, Groveland had never communicated with nor reached out to the Company.

On December 3, 2014, Biglari Holdings' counsel delivered a letter to Nicholas J. Swenson of Groveland requesting that, in connection with the Company's evaluation whether the Notice satisfies applicable legal and disclosure requirements relating to the nomination of directors, Groveland should re-confirm certain information, including that no persons or entities other than Groveland and its nominees were known to be supporting Groveland's nominees and that the Notice includes all information regarding Groveland's nominees and their associates required by Regulation 14A under the Exchange Act. Biglari Holdings received no response from Groveland to this letter. Accordingly, Biglari Holdings' counsel followed with another letter to Groveland's nominees one week later. Following receipt of this second letter, Groveland responded in writing, asserting its contention that the Notice was accurate and complete.

On December 17, 2014, Biglari Holdings reached out by delivering a letter to Groveland, stating that the Company believes it would be in the best interests of shareholders for the principals of the Company and Groveland to meet in-person whereby Groveland can discuss its views on the Company. The Company's letter continued that it was interested in understanding Groveland's specific concerns and determining how they may be appropriately addressed. The Company arranged for an in-person meeting to be held in New York City on January 9, 2015.

On January 9, 2015, Sardar Biglari, Chairman and Chief Executive Officer of the Company, and Philip L. Cooley, Vice Chairman of the Company, held an in-person meeting in New York City with Mr. Swenson, Seth G. Barkett and Thomas R. Lujan, representatives of Groveland. The parties discussed certain proposals proffered by Groveland. Mr. Biglari inquired concerning Groveland's ideas regarding the Company's operating businesses, but the Groveland representatives claimed they did not want to divulge them at that time. Mr. Biglari requested that Groveland set forth its proposals in writing, in reasonable detail, so that these assertions could be shared with and considered by the entire Board. On January 13, 2015, Mr. Swenson delivered a letter addressed to the Board that outlined some of the proposals that had been discussed at the January 9 meeting.

During the next scheduled meeting of the Board, the directors discussed each of the Groveland proposals, including the actions the Board had taken to enhance shareholder value and corporate governance. After a comprehensive discussion, the directors unanimously concurred that the proposals reflected within the Groveland letter were not in the best long-term interests of the Company's shareholders.

On January 25, 2015, William L. Johnson, in his capacity as Lead Independent Director and on behalf of the Board, delivered a letter to Mr. Swenson advising him that the Board had considered the proposals contained in Groveland's January 13, 2015 letter and unanimously determined that their implementation is not in the best interests of the Company's long-term shareholders. The letter reinforced the conviction that the

Edgar Filing: BIGLARI HOLDINGS INC. - Form PRER14A

economic objective of the Company is to maximize per-share intrinsic value over the long term, as well as to reaffirm that the Board's actions have all been in furtherance of this purpose. The letter concluded that it is abundantly clear to the Board that Groveland neither shares the Company's concern for this objective nor appreciates the substantial long-term value that has been created for all shareholders.

Board Meetings, Committees and Nominations

The Board held two formal meetings during fiscal year 2014. Each director during fiscal year 2014 attended at least 75% of all meetings of the Board and of the committees of the Board on which he or

she served. Directors are encouraged but not required to attend annual meetings of the Corporation's shareholders. All directors of the Corporation attended the 2014 Annual Meeting of Shareholders.

Table of Contents

PROPOSAL ONE: ELECTION OF DIRECTORS

The Board has established an Audit Committee in accordance with Section 3(a)(58)A of the Securities Exchange Act of 1934, as amended (the Exchange Act). The Audit Committee consists of Kenneth R. Cooper, William L. Johnson, James P. Mastrian and Ruth J. Person. The Board has determined that each of William L. Johnson, James P. Mastrian and Ruth J. Person meets the definition of "audit committee financial expert" as that term is used in Item 407(d)(5) of Regulation S-K promulgated under the Exchange Act. All current members of the Audit Committee meet the criteria for independence set forth in Rule 10A-3 under the Exchange Act and in Section 303A of the New York Stock Exchange Listed Company Manual. The Audit Committee assists the Board with oversight of a) the integrity of the Corporation's financial statements, b) the Corporation's compliance with legal and regulatory requirements and c) the qualifications and independence of the Corporation's independent public accountants and the Corporation's internal audit function. The Audit Committee meets periodically with the Corporation's independent public accountants, internal auditors and members of management and reviews the Corporation's accounting policies and internal controls. The Audit Committee also selects the firm of independent public accountants to be retained by the Corporation to perform the audit. The Audit Committee held four formal meetings during fiscal year 2014. The Audit Committee Charter is available on the Corporation's website at www