

CRACKER BARREL OLD COUNTRY STORE, INC
Form DFAN14A
October 10, 2012

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

CRACKER BARREL OLD COUNTRY STORE, INC.
(Name of Registrant as Specified in Its Charter)

BIGLARI HOLDINGS INC.
BIGLARI CAPITAL CORP.
THE LION FUND, L.P.
STEAK N SHAKE OPERATIONS, INC.
SARDAR BIGLARI
PHILIP L. COOLEY

(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) Amount previously paid:

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

(3) Filing Party:

(4) Date Filed:

Item 1: On October 9, 2012, Biglari Holdings Inc. issued the following press release:

**BIGLARI HOLDINGS RESPONDS TO CRACKER BARREL'S ASSERTION
THAT MISREPORTS ABOUT INCOMING CHAIRMAN JAMES BRADFORD
WERE A "MISUNDERSTANDING"**

SAN ANTONIO, TX — October 9, 2012 — Biglari Holdings Inc. (NYSE: BH) today replied to a statement issued by Cracker Barrel Old Country Store, Inc. (NASDAQ: CBRL) claiming that public filings plus statements made by Cracker Barrel, including those by Chief Executive Officer Sandra B. Cochran, highlighting designated Chairman James Bradford's professed prior experience as CEO of a New York Stock Exchange-listed company, were a "misunderstanding."

Cracker Barrel's response to Biglari Holdings' identification of a material error in Cracker Barrel's public filings and statements regarding designated Chairman James Bradford's ostensible experience as a "former NYSE company CEO" was repugnant to shareholders. Just last week, Ms. Cochran touted Mr. Bradford's purported credentials at an investor conference as well as in a letter to shareholders. Shareholders are currently receiving letters in the mail from Ms. Cochran that identify Mr. Bradford as "a former NYSE company CEO." This assertion is now confirmed by the Company as 100% false. Yet, this inaccuracy is not a misunderstanding — it is misleading.

The inaccurate disclosure in Mr. Bradford's biography was contained in Cracker Barrel's proxy statements for both its 2012 and 2011 annual shareholders' meetings and has been repeated by Ms. Cochran during the proxy contest. Because last year's proxy statement had the same claim on his credentials, we find it quite troubling that this embellishment has been left uncorrected. It is unconscionable and inexplicable that Mr. Bradford overlooked or ignored misstatements of fact for the duration of a year.

We are left to draw one of two conclusions:

1. Mr. Bradford did not read his biography in either this year's or last year's proxy statement.

OR

2. Mr. Bradford read his biography, yet did nothing to correct it.

Even if we assume he did not read either the Company's 2011 or 2012 proxy statements, did he also fail to review presentations by the Company's management to shareholders? Here are two recorded instances with links available on Cracker Barrel's own website:

1. Wells Fargo Investor Conference (<http://investor.crackerbarrel.com/events.cfm>)
2. Letter to shareholders (http://investor.crackerbarrel.com/proxy_contest.cfm)

The puzzling question for shareholders is why the Board and Ms. Cochran believed it was important to emphasize repeatedly Mr. Bradford's purported experience as "a former NYSE company CEO." In our mind the answer is because Mr. Bradford's record is being measured against a current CEO of a NYSE-listed company, Mr. Biglari. Unfortunately, Mr. Bradford was never a CEO of a NYSE company. We outside shareholders should not be forced to identify errors when there is a Board with 14 directors reviewing the documents from the inside.

How could shareholders not blame Mr. Bradford for failing to ensure the accuracy of his own credentials? Because Mr. Bradford is the Dean at Vanderbilt University's Owen Graduate School of Management and holds a law degree, there is absolutely no excuse for his oversight in his own biography within the Company's proxy statement.

Mr. Bradford has an obligation to read the Company's proxy statement in its entirety, and if there is anything within it that he should have paid particular attention to, it would be his own biography. If Mr. Bradford were not aware of his biography in SEC filings, and Ms. Cochran's presentation to investors, and the Company's letters to shareholders, then these mistakes raise the question of how sound his commitment is to the Company. A chairman-designee should closely review major public statements.

We find the Company's following statement downright insulting: "Mr. Bradford's extensive business and academic experience is beyond reproach." We ask how Mr. Bradford could be beyond blame when he was compensated \$186,757 last year for his services as a director of the Company, yet failed to identify or correct a material error in Ms. Cochran's letter to shareholders, as well as six versions of the Company's proxy statement filed with the SEC over the last two years that contained the error. Does Mr. Bradford not think that he has a duty to read carefully the Company's proxy statements and letters to shareholders? What else is Mr. Bradford not reading that is imperative to fulfilling his job?

Mr. Bradford also holds board seats at three other companies that actually are traded on the NYSE: CLARCOR Inc., Genesco Inc., and Granite Construction Inc. Only in rare exceptions do we think a full-time employed person can be on four outside boards. If Mr. Bradford is too busy to read proxy statements, then he is too busy to be on the Board of Cracker Barrel.

We urge the Board to stop wasting valuable time along with Company resources and drop its resistance to placing our two nominees on the Board. We are Cracker Barrel's largest shareholder with an approximately \$270 million investment value in the Company's stock. One reason we are so engaged and well-informed of such matters is that a substantial portion of our net worth is tied to the future of Cracker Barrel.

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Item 2: The following materials were posted by Biglari Holdings Inc. to <http://www.enhancecrackerbarrel.com>:

