J. Alexander's Holdings, Inc.
Form DEFM14A
December 21, 2017

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

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 §240.14a-12

J. ALEXANDER S 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)(1) and 0-11

(1) Title of each class of securities to which transactions 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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Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:

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

(3) Filing Party:

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Dear Shareholder,

J. Alexander s Holdings, Inc., (J. Alexander s or the Company) will hold a Special Meeting of Shareholders on January 30, 2018 to approve the Company s acquisition of Ninety Nine Restaurant & Pub (Ninety Nine), a valuable asset and **strong regional competitor** with **excellent financial and operational performance**.

The Company s board of directors (the Board) and management strongly believe this acquisition will **create attractive value for your investment in the Company**. The transaction will be **accretive** to the Company s earnings per share (EPS) and present **meaningful opportunities for cost synergies**, which, if achieved, will drive further accretion.

Pro-forma, **the transaction would have delivered an additional $0.17 to 2016 basic EPS and $0.31 to 2016 fully diluted EPS**, before the impact of any synergies.

Your Board of Directors recommends that you vote FOR this transaction on the enclosed WHITE proxy card TODAY.

THE TRANSACTION PROVIDES SIGNIFICANT VALUE TO SHAREHOLDERS

Substantial Operating and Financial Strength

- Ninety Nine has a **tenured and deep management team** that has driven **healthy same-store sales and strong cash flow from operations** (which could be used to repay debt and fuel future acquisitions).

- Ninety Nine has developed a **successful competitive position** in an area of the country where **development of new restaurants can be difficult**, with 106 restaurants currently in operation, many of which have been recently remodeled.

Compelling Financial Dynamics

- The transaction is expected to be **accretive to earnings per share** of J. Alexander s in future years, (representing an additional $0.17 to 2016 basic EPS and $0.31 to 2016 fully diluted EPS, *pro-forma*) excluding the assumption of synergies.

- Management estimates that potential synergies could reach approximately **$1.5 million to $2 million annual positive impact on pre-tax income**.

Increased Scale and New Opportunities for Growth

We believe that Ninety Nine will help the Company achieve more **rapid growth** and increase **the scale of our operations** to better spread public company and management costs.

This transaction is a **compelling strategic opportunity** to expand the Company s business into a concept **insulated from certain competitive challenges**, given its unique management, lengthy operating history and differentiated customer experience.

Termination of Existing Consulting Agreement

As part of the transaction, we intend to terminate the consulting agreement with Black Knight Advisory Services, LLC, which would benefit shareholders by **ending our annual management fee payments.**

Disinterested Shareholder Vote

Certain members of the Board and officers have relationships with Ninety Nine and its affiliates, and, as a result of these potential interests, the Board specifically negotiated that, in addition to any required approvals under applicable law, the transaction should also be submitted for approval by the disinterested shareholders of the Company.

THE TRANSACTION IS THE RESULT OF RIGOROUS NEGOTIATIONS

Following **extensive negotiations over the terms**, the Company negotiated a lower equity valuation for Ninety Nine and a resulting decrease in the number of shares to be issued as consideration. **The valuation of Ninety Nine Restaurants was lowered from $225 million to $199 million, a 12% decrease.**

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The Board believes this transaction is in the best interest of all shareholders. For more information on the transaction, we encourage you to go to the ***Background of the Transactions*** **section of the accompanying proxy statement.**

VOTE FOR THE MERGER AGREEMENT AND THE TRANSACTIONS

The Board recommends, subject to the ability of the Board to make a Recommendation Withdrawal (as defined in the Merger Agreement) pursuant to and in accordance with the terms of the Merger Agreement, that Company shareholders vote:

FOR the proposal to approve the Merger Agreement,

FOR the proposal that the Transactions be approved by disinterested shareholders action pursuant to Section 48-18-704 of the TBCA,

FOR the proposal to approve the Reclassification Amendment,

FOR the proposal to approve the Authorized Shares Amendment,

FOR the proposal to approve the CSAA Amendment, and

FOR the proposal to adjourn the Special Meeting, if necessary or advisable, to solicit additional proxies to approve the other proposals to be submitted for a vote at the Special Meeting.

Your vote is very important. To ensure your representation at the J. Alexander s Special Meeting of Shareholders on January 30, 2018, please complete and return the enclosed WHITE proxy card or submit your proxy by telephone or through the Internet.

On behalf of the Board and management team, thank you for your continued support.

Very truly yours,

Lonnie J. Stout II
President & Chief Executive Officer

Frank R. Martire
Chairman of the Board

The accompanying proxy statement is dated December 20, 2017 and is first being mailed on or about December 22, 2017 to the Company s shareholders of record as of the close of business on December 19, 2017.

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3401 West End Avenue, Suite 260

P.O. Box 24300

Nashville, Tennessee 37202

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

To the Shareholders of J. Alexander s Holdings, Inc.:

A special meeting (the Special Meeting) of shareholders of J. Alexander s Holdings, Inc., a Tennessee corporation (the Company or we , us or our), will be held at Loews Vanderbilt Hotel, 2100 West End Avenue, Nashville, Tennessee 37203 at 2:00 p.m., central time, on January 30, 2018 for the following purposes:

(1) To consider and vote upon a proposal to approve the Agreement and Plan of Merger, dated August 3, 2017 (the Merger Agreement), by and among the Company, J. Alexander s Holdings, LLC, a Delaware limited liability company and a majority-owned subsidiary of the Company (JAX Op), Nitro Merger Sub, Inc., a Tennessee corporation and a wholly owned subsidiary of JAX Op (Merger Sub), Cannae Holdings, LLC (formerly known as Fidelity National Financial Ventures, LLC), a Delaware limited liability company (FNFV), Fidelity Newport Holdings, LLC, a Delaware limited liability company (FNH and together with FNFV, the Sellers), and 99 Restaurants, LLC, a Delaware limited liability company (99 Restaurants). THE MERGER WILL ONLY OCCUR IF PROPOSALS NO. 2, 3A, 3B AND 4 ARE ALSO APPROVED;

(2) To consider and vote upon a proposal to approve all of the transactions contemplated by the Merger Agreement, including the merger (collectively, the Transactions), by disinterested shareholders action pursuant to Section 48-18-704 of the Tennessee Business Corporation Act (the TBCA);

(3a) To consider and vote upon a proposal to approve an amendment to the Company s current Amended and Restated Charter (the Charter) to (i) reclassify the Company s currently outstanding common stock, par value $0.001 per share (Current Common Stock), as Class A common stock, par value $0.001 per share (Class A Common Stock) and (ii) authorize a new class of Class B common stock of the Company, par value $0.001 per share (Class B Common Stock) (the Reclassification Amendment);

(3b) To consider and vote upon a proposal to approve an amendment to the Charter to increase the number of authorized shares of capital stock of the Company (the Authorized Shares Amendment);

(4) To consider and vote upon a proposal to approve an amendment to the Charter to provide that, following the completion of the Transactions, the Company s capital stock will no longer be subject to the Tennessee Control Share Acquisition Act (the CSAA), and to eliminate a provision that has sunsetted (such

amendment, the CSAA Amendment and collectively with the Reclassification Amendment and the Authorized Shares Amendment, the Charter Amendments); and

(5) To consider and vote upon a proposal to permit the Company to adjourn the special meeting, if necessary or advisable, for further solicitation of proxies if there are not sufficient votes at the originally scheduled time of the special meeting to approve the other proposals to be submitted for a vote at the Special Meeting.

These items of business, including the Merger Agreement and the Transactions, are described in detail in the accompanying proxy statement. A copy of the Merger Agreement is attached as Appendix A to the proxy statement. An unmarked copy of the proposed Second Amended and Restated Charter (the Restated Charter), is attached as Appendix B to the proxy statement, and a blackline illustrating the Charter Amendments, as described herein (strikethrough text showing deletions and thick-underlined text showing additions), is attached as Appendix B-1 to the proxy statement.

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After consideration of a number of factors, which are described in the accompanying proxy statement, the Board has determined that the Merger Agreement and the Transactions are advisable, fair to and in the best interests of the Company and its shareholders. Accordingly, the Board recommends, subject to the ability of the Board to make a Recommendation Withdrawal (as defined in the Merger Agreement) pursuant to and in accordance with the terms of the Merger Agreement, that the Company shareholders vote (a) FOR the proposal to approve the Merger Agreement, (b) FOR the proposal that the Transactions be approved by disinterested shareholders action pursuant to Section 48-18-704 of the TBCA, (c) FOR the proposal to approve the Reclassification Amendment, (d) FOR the proposal to approve the Authorized Shares Amendment, (e) FOR the proposal to approve the CSAA Amendment, and (f) FOR the proposal to permit the Company to adjourn the Special Meeting, if necessary or advisable, to solicit additional proxies to approve the other proposals to be submitted for a vote at the Special Meeting. Please take the time to vote by completing and mailing the enclosed white proxy card or vote your shares via the Internet or by telephone.

Only holders of record of Current Common Stock at the close of business on December 19, 2017 (the Record Date) are entitled to notice of and to vote at the Special Meeting or any adjournment or postponement thereof; provided that only holders of qualified shares as defined in Section 48-18-704 of the TBCA are entitled to vote with respect to Proposal 2. A list of shareholders entitled to vote at the Special Meeting will be made available at the Company s corporate offices located at 3401 West End Avenue, Suite 260, Nashville, Tennessee 37203 during regular business hours beginning two business days after the date of this notice, and will be available at the place of the Special Meeting during the Special Meeting.

Your vote is important. All Company shareholders entitled to notice of, and to vote at, the Special Meeting are cordially invited to attend the Special Meeting in person. **However, to ensure your representation at the Special Meeting, please submit your proxy, either by mail or by telephone or through the Internet with voting instructions.** The submission of your proxy will not prevent you from voting in person, but it will help to secure a quorum and avoid added solicitation costs. Any holder of Current Common Stock entitled to vote who is present at the Special Meeting may vote in person, thereby revoking any previously submitted proxy, if applicable. A proxy may also be revoked in writing at any time before the vote is taken at the Special Meeting. If your shares of Current Common Stock are held in the name of a bank, broker or other fiduciary, please follow the instructions on the voting instruction card furnished to you by such holder.

We urge you to read the accompanying proxy statement, including all documents incorporated by reference into the accompanying proxy statement and its appendices, carefully and in their entirety. If you have any questions concerning the Merger Agreement and the Transactions, the Charter Amendments, the adjournment vote, or the Special Meeting or the accompanying proxy statement, would like additional copies of the accompanying proxy statement or need help voting your shares of Current Common Stock, please contact the Company s proxy solicitor, Georgeson LLC, toll-free at (866) 432-2791.

By Order of the Board of Directors,

Mark A. Parkey

Executive Vice President and Chief Financial Officer

December 20, 2017

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J. ALEXANDER S HOLDINGS, INC.

3401 West End Avenue, Suite 260

P.O. Box 24300

Nashville, Tennessee 37202

PROXY STATEMENT

FOR SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON JANUARY 30, 2018

The enclosed proxy is solicited by and on behalf of the Board for use at the Special Meeting to be held on January 30, 2018, at 2:00 p.m., central time, at Loews Vanderbilt Hotel, 2100 West End Avenue, Nashville, Tennessee 37203 and at any adjournments or postponements thereof, for the purposes set forth in the foregoing Notice of Special Meeting of Shareholders. The enclosed proxy is first being mailed on or about December 22, 2017 to J. Alexander s shareholders of record as of the close of business on December 19, 2017.

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QUESTIONS AND ANSWERS ABOUT THE TRANSACTIONS

AND THE SPECIAL MEETING

The following are some of the questions you may have as a Company shareholder and answers to those questions. These questions and answers highlight only some of the information contained in this proxy statement. You should read carefully this entire document, including all appendices hereto, to fully understand the Transactions and the voting procedures for the Special Meeting.

Questions and Answers about the Special Meeting and this Proxy Statement, Generally

Q: Why am I receiving this proxy statement?

A: On August 3, 2017, the Company, JAX Op and Merger Sub entered into the Merger Agreement with 99 Restaurants, FNFV and FNH. Pursuant to the terms of the Merger Agreement, the Company has agreed to acquire 99 Restaurants by merging Merger Sub with and into 99 Restaurants, such that 99 Restaurants will become an indirect subsidiary of the Company. The Board is furnishing this proxy statement in connection with the solicitation of proxies to be voted at the Special Meeting, or at any adjournments or postponements of the Special Meeting, at which the Company s shareholders will be asked to vote to approve the Merger Agreement and the other matters described herein.

Q: When and where is the Special Meeting?

A: The Special Meeting will be held on January 30, 2018 at Loews Vanderbilt Hotel, 2100 West End Avenue, Nashville, Tennessee 37203 at 2:00 p.m., central time.

Q: Where can I find additional information about the Transactions and the Special Meeting?

A: This proxy statement includes important information about the Transactions and the Special Meeting. A copy of the Merger Agreement is attached as Appendix A to this proxy statement, a copy of the Restated Charter is attached as Appendix B to this proxy statement, and a blackline illustrating the Charter Amendments, as described herein (strikethrough text showing deletions and thick-underlined text showing additions), is attached as Appendix B-1 to the proxy statement. Company shareholders should read this information carefully and in its entirety.

In addition, copies of certain reports and statements that the Company has previously filed with the Securities and Exchange Commission (the Commission) may be obtained by any shareholder without charge by making a request through our Investor Relations website at http://investor.jalexandersholdings.com or by written request addressed to: J. Alexander s Holdings, Inc., P.O. Box 24300, Nashville, Tennessee 37202, Attention: Corporate Secretary.

Q: Who can help answer my questions?

A: Company shareholders should call Georgeson LLC, the Company s proxy solicitor, toll-free at (866) 432-2791, with any questions about the Transactions or the Special Meeting, or to obtain additional copies of this proxy statement, white proxy cards or voting instruction forms.

Q: What does it mean if I receive more than one proxy?

A: It means that you hold shares of Current Common Stock in multiple accounts. Please complete and return all proxies to ensure that all of your shares of Current Common Stock are voted in accordance with your instructions.

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Q: Who is paying for the costs of this proxy solicitation?

A: The Company pays the costs of soliciting proxies. Upon request, the Company will reimburse brokers, dealers, banks and trustees, or their nominees, for reasonable expenses incurred by them in forwarding proxy materials to beneficial owners of shares of our Current Common Stock.

Questions and Answers about Voting

Q: What are the proposals on which I am being asked to vote?

A: You are being asked to vote on the following proposals (and the Board recommends that you vote FOR):

Proposal 1: To approve the Merger Agreement;

Proposal 2: To approve the Transactions by disinterested shareholders action pursuant to Section 48-18-704 of the TBCA;

Proposal 3a: To approve an amendment to the Charter to (i) reclassify Current Common Stock as Class A Common Stock and (ii) authorize a new class of Class B Common Stock of the Company;

Proposal 3b: To approve an amendment to the Charter to increase the number of authorized shares of capital stock of the Company;

Proposal 4: To approve an amendment to the Charter to provide that, following the completion of the Transactions, the Company s capital stock will no longer be subject to the Tennessee Control Share Acquisition Act and to eliminate a provision that has sunsetted;

Proposal 5: To approve a proposal to permit the Company to adjourn the Special Meeting, if necessary or advisable, for further solicitation of proxies if there are not sufficient votes at the originally scheduled time of the special meeting to approve the other proposals to be submitted for a vote at the Special Meeting.

We will not act on any of the above proposals 1, 2, 3a, 3b or 4 unless each such proposal is approved and the closing of the Transactions (the Closing) is occurring.

Q: Does the Company s Board recommend voting in favor of the proposals?

A: Yes. After careful consideration and rigorous negotiations the Board unanimously approved the Merger Agreement and the Transactions and determined that the Merger Agreement and the Transactions were advisable, fair to and in the best interests of the Company and its shareholders. As a result, the Board recommends that you vote FOR each of the proposals.

Q: What material factors and benefits did the Board consider in reaching its determination to recommend the Transactions as in the best interest of the Company and its shareholders?

A: In reaching its decision that the Transactions are advisable, fair to and in the best interest of the Company and its shareholders, and in reaching its recommendation that the shareholders approve the Transactions and adopt the Merger Agreement, the Board considered a number of a factors, including the following material factors and benefits of the Transactions, which the Board viewed as supporting its recommendation:

99 Restaurants has a tenured and deep management team that has driven healthy same-store sales and cash surplus (which could be used to repay debt and fuel future acquisitions).

99 Restaurants has developed a successful competitive position in an area of the country where development of new restaurants can be difficult, with 106 restaurants currently in operation, many of which have been recently remodeled.

The Transactions are expected to be accretive to earnings per share (EPS) of the Company in future years (representing an additional $0.17 to 2016 basic EPS, pro-forma), excluding the assumption of synergies.

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The Company s management estimates that potential synergies could reach approximately $1.5 million to $2 million annual impact on pre-tax income, and approximately $0.6 million to $1.1 million annual impact on the Company s Adjusted EBITDA. For our definition of and a reconciliation of Adjusted EBITDA, See *The Transactions Financial Projections Historical and Projected Adjusted EBITDA and Free Cash Flow and Non-GAAP Reconciliations* on page 64 of this proxy statement.

As part of the Transactions, the Company intends to terminate the consulting agreement (the Consulting Agreement) between the Company and Black Knight Advisory Services, LLC, a Delaware limited liability company (BKAS), which would benefit shareholders by terminating the Company s annual management fee payments.

For a complete discussion of the Board s reasons for approving the Transactions, see the sections entitled *The Transactions Recommendation of the Company s Board of Directors* beginning on page 57 of this proxy statement and *The Transactions The Company s Board of Directors Reasons for Approving the Transactions* beginning on page 51 of this proxy statement.

Q: Did the Board consider material negative factors in connection with the Transactions?

A: Yes, the Board considered material negative factors in its deliberations concerning the Merger Agreement and the Transactions, including such factors as potential conflicts of interest, the highly competitive casual dining bar and grill segment in which 99 Restaurants operates and elements of the negotiated transaction such as the termination fee under the Merger Agreement, which could become payable in certain circumstances. Material negative factors considered by the Board are discussed in the section entitled *The Transactions Recommendation of the Company s Board of Directors* beginning on page 57 of this proxy statement. In addition to the material negative factors discussed above, the Board considered the risk factors that are described in the section entitled *Risk Factors* beginning on page 30 of this proxy statement.

Q: Who is entitled to vote at the Special Meeting?

A: All Company shareholders of record as of the close of business on December 19, 2017, the Record Date, are entitled to vote on each of the proposals (other than Proposal 2, on which only holders of record of the outstanding shares of Current Common Stock that constitute qualified shares as defined in Section 48-18-704 of the TBCA (such shares, Qualified Shares) as of the Record Date will be entitled to vote) at the Special Meeting or any adjournments or postponements thereof. Each shareholder is entitled to one vote per each share of Current Common Stock held by such shareholder on the Record Date with respect to all proposals other than Proposal 2, on which only holders of Qualified Shares will be entitled to one vote per each Qualified Share held by such holder.

Q: What shares will constitute Qualified Shares for purposes of the vote of disinterested shareholders on Proposal 2?

A: Under Section 48-18-704 of the TBCA, Qualified Shares means all shares entitled to be voted with respect to the relevant proposal except for shares that the Company knows, or is notified, are held by either (i) a director or officer of the Company who has a conflicting interest respecting the proposed transaction, or (ii) a related person of the respective director or officer. A director or officer who has a conflicting interest respecting the Transaction will be required to notify the Company, in writing, prior to the Special Meeting, of the number of shares that such director or officer knows are not Qualified Shares within the foregoing definition. We anticipate that approximately 86% of the outstanding shares of Current Common Stock will be deemed Qualified Shares for purposes of the vote of disinterested shareholders on Proposal 2.

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Q: What vote is required to approve the proposals?

A: The following are the vote requirements for each of the proposals:

Proposal 1 (*Approval of Merger Agreement*): The affirmative vote of the holders of a majority of the outstanding shares of Current Common Stock entitled to vote thereon is required to approve Proposal 1.

Proposal 2 (*Conflicting Interest Approval*): The affirmative vote of a majority of the votes cast by the holders of the outstanding shares of Current Common Stock that constitute Qualified Shares within the meaning of Section 48-18-704 of the TBCA (such approval, the Conflicting Interest Approval) where a quorum (i.e., a majority) of Qualified Shares is present or represented at the Special Meeting is required to approve Proposal 2.

Proposal 3a (*Reclassification Amendment*): Pursuant to the terms of the Merger Agreement, the affirmative vote of the holders of a majority of the outstanding shares of Current Common Stock entitled to vote thereon is required to approve Proposal 3a.

Proposal 3b (*Authorized Shares Amendment*): Pursuant to the terms of the Merger Agreement, the affirmative vote of the holders of a majority of the outstanding shares of Current Common Stock entitled to vote thereon is required to approve Proposal 3b.

Proposal 4 *(CSAA Amendment*): The affirmative vote of the holders of 66 $^{2/3}$ % of the outstanding shares of Current Common Stock entitled to vote thereon is required to approve Proposal 4.

Proposal 5 (*Adjournment of the Special Meeting, if Necessary*): The votes cast in favor of Proposal 5 must exceed the votes cast against Proposal 5 in order to approve Proposal 5.

All outstanding shares of Current Common Stock will be entitled to vote on Proposals 1, 3a, 3b, 4 and 5. We anticipate that approximately 86% of the outstanding shares of Current Common Stock will be deemed Qualified Shares for purposes of the vote of disinterested shareholders on Proposal 2.

The approval of each of Proposals 1, 2, 3a, 3b and 4 are conditions to the Closing. If such proposals are not approved, the Transactions will not occur as contemplated by the Merger Agreement, and either of 99 Restaurants and JAX Op will have the right to terminate the Merger Agreement. The approval of Proposal 5 is not a condition to the obligation of the parties to the Merger Agreement to close the Transactions.

Q: How do I vote?

A: You may sign and date each paper proxy card you receive and return it in the prepaid envelope. If you return your signed white proxy card but do not indicate your voting preferences, we will vote on your behalf FOR the proposals specified in this proxy statement. You may also follow the instructions on the white proxy card to submit voting instructions for your shares via the Internet or by telephone.

Q: How may I revoke or change my vote?

A: You have the right to revoke your proxy any time before the Special Meeting by notifying our Corporate Secretary of your revocation or returning a later-dated proxy. The last vote received chronologically will supersede any prior vote. You may also revoke your proxy by voting in person at the Special Meeting. Attendance at the Special Meeting, without voting at the Special Meeting, will not in and of itself serve as a revocation of your proxy.

Q: If my shares of Current Common Stock are held in street name by my broker or other nominee, will my broker or other nominee vote my shares for me?

A: Your broker will vote your shares of Current Common Stock with respect to the proposals set forth in the accompanying notice to shareholders only if you provide instructions on how to vote by completing and returning a proxy card or instruction form provided to you by your broker.

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Q: What happens if I fail to submit a proxy or vote in person at the Special Meeting, abstain from voting or fail to give voting instructions to my broker or other nominee if I hold my shares of Current Common Stock in street name ?

A: If you fail to submit a proxy card (whether by mail, telephone or the Internet), vote in person at the Special Meeting or give voting instructions to your broker or other nominee, your shares of Current Common Stock will not be counted as present for purposes of determining the existence of a quorum. Abstentions will be counted as present for purposes of determining the existence of a quorum. The failure to submit a proxy or voting instruction and abstentions will have the following effects on each of the proposals:

Proposal 1 (*Approval of Merger Agreement*): A shareholder s failure to submit a white proxy card or to vote in person at the Special Meeting, an abstention from voting, or the failure of a shareholder who holds his or her shares in street name through a broker or other nominee to give voting instructions to such broker or other nominee will have the same effect as a vote AGAINST Proposal 1.

Proposal 2 (*Conflicting Interest Approval*): A holder of Qualified Shares failure to submit a white proxy card or to vote in person at the Special Meeting, an abstention from voting, or the failure of such shareholder who holds his or her shares in street name through a broker or other nominee to give voting instructions to such broker or other nominee, will have no effect on Proposal 2, assuming that a quorum of Qualified Shares (i.e., a majority of Qualified Shares) is present or represented at the Special Meeting.

Proposal 3a (*Reclassification Amendment*): A shareholder s failure to submit a white proxy card or to vote in person at the Special Meeting, an abstention from voting, or the failure of a shareholder who holds his or her shares in street name through a broker or other nominee to give voting instructions to such broker or other nominee will have the same effect as a vote AGAINST Proposal 3a.

Proposal 3b (*Authorized Shares Amendment*): A shareholder s failure to submit a white proxy card or to vote in person at the Special Meeting, an abstention from voting, or the failure of a shareholder who holds his or her shares in street name through a broker or other nominee to give voting instructions to such broker or other nominee will have the same effect as a vote AGAINST Proposal 3b.

Proposal 4 *(CSAA Amendment*): A shareholder s failure to submit a white proxy card or to vote in person at the Special Meeting, an abstention from voting, or the failure of a shareholder who holds his or her shares in street name through a broker or other nominee to give voting instructions to such broker or other nominee will have the same effect as a vote AGAINST Proposal 4.

Proposal 5 (*Adjournment of the Special Meeting, if Necessary*): A shareholder s failure to submit a white proxy card or to vote in person at the Special Meeting, an abstention from voting, or the failure of such shareholder who holds his or her shares in street name through a broker or other nominee to give voting instructions to such broker or other nominee will have no effect on Proposal 5, assuming a quorum of shares of Current Common Stock is present or represented at the Special Meeting.

Q: Will I have dissenters rights with respect to the Transactions?

A: No. Company shareholders will not have dissenters rights with respect to the Transactions.

Questions and Answers about Conflicts of Interest and the Disinterested Shareholders Vote

Q: Do any of the Company s directors or executive officers have interests in the Transactions that may be different from or in addition to the interests of the Company s shareholders? Why is there a Conflicting Interest Approval by a vote by disinterested shareholders?

A: In considering the recommendation of the Board with respect to the Transactions, you should be aware that certain Company directors and executive officers have interests in the Transactions that are different from, or in addition to, those of the Company s shareholders generally. The Board was aware of its members relationships with 99 Restaurants and its affiliates, and, as a result of these potential interests, the Board specifically negotiated that, in addition to any required approvals under applicable law, the Transactions

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also be submitted for approval by a disinterested shareholders action pursuant to Section 48-18-704 of the TBCA, the approval mechanism provided by Tennessee corporate law for disinterested shareholder approval of a transaction where a director or officer conflict exists. These interests include:

Ownership Interests in Parties to Transactions. Certain of our directors and executive officers hold direct or indirect ownership interests in counterparties to the Transactions, including Fidelity National Financial, Inc., a Delaware corporation (FNF), FNFV, FNH and BKAS. As a result, these directors and executive officers may receive certain economic benefits from the Transactions that will be different from, or in addition to, the benefits that are expected to inure to the Company s shareholders generally as a result of the Transactions. For instance, BKAS will receive a termination payment from the Company and its profits interest units will fully vest upon the Closing and become exchangeable for Class A Common Stock for a period of 90 days. See *Ancillary Agreements Black Knight Termination Agreement* beginning on page 103 of this proxy statement.

*Positions of Management within Parties to Transaction*s. Certain of our directors and executive officers hold or previously held positions within the management teams of counterparties to the Transactions, and related parties, including FNF, FNFV, FNH and BKAS, including as board members or management executives, and as a result of such positions, receive compensation payments related to the performance of those counterparties, which may include compensation payments made in connection with the Transactions. We are not aware of any specific payments to which any such persons may be entitled.

Treatment of Company Equity Awards. Each of our directors and executive officers has in the past been granted stock options under the J. Alexander s Holdings, Inc. 2015 Equity Incentive Plan, as amended (the Stock Plan). Because the Transactions will constitute a change in control of the Company under the Stock Plan, outstanding stock options that remain subject to vesting will vest in connection with the Transactions and thereafter become exercisable. No cash payments will be made as a result of the vesting of previously unvested options.

Contractual Change in Control Benefits. In addition to the vesting of their stock options, certain of our executive officers are parties to employment agreements that would provide them with certain severance payments in the event such executive officer s employment was terminated without cause or for good reason within a certain period of time following a change in control, as defined in the agreements.

Indemnification and Insurance. The Company s directors and executive officers are entitled to indemnification and insurance coverage pursuant to indemnification agreements with the Company, applicable provisions of the Charter and the Company s bylaws and a directors and officers liability insurance policy purchased by the Company.

Other Material Relationships. In addition to the foregoing, certain of our directors and executive officers may have, or have had in the past, other business, personal or financial relationships with persons affiliated with counterparties to the Transactions, including FNF, FNFV, FNH and BKAS.

These interests may cause the Company s directors and executive officers to view the proposed Transactions differently and more favorably than Company shareholders generally may view them. For more information and a detailed discussion of the foregoing interests, see *The Transactions Interests of Certain Company Directors and Executive Officers* beginning on page 74 of this proxy statement.

Q: What is the effect of disinterested shareholder approval of Proposal 2?

A: If the disinterested shareholders approve Proposal 2, then under Tennessee law, the Transactions may not be the subject of equitable relief, or give rise to an award of damages or other sanctions against a director or officer of the Company, in a proceeding by a shareholder or by or in the right of the Company, on the ground that any director or officer of the Company has an interest respecting the Transactions.

Q: What will happen if the disinterested shareholders do not approve Proposal 2?

A: The Board specifically negotiated to make the Transactions contingent upon the disinterested shareholders approval of Proposal 2, the Conflicting Interest Approval. If this proposal is not approved, the parties will

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have the right to terminate the Merger Agreement in accordance with its terms. For more information, see *The Merger Agreement Termination of the Merger Agreement; Termination Fee and Expense Reimbursement* beginning on page 97 of this proxy statement.

Questions and Answers about the Parties

Q: Who is 99 Restaurants?

A: 99 Restaurants is currently an indirect, wholly owned subsidiary of FNH. The Ninety Nine Restaurants & Pub concept is currently operating 106 restaurants in seven states within the New England area, and all restaurants are open seven days a week and serve lunch and dinner.

Q: Who is FNFV?

A: FNFV, a Delaware limited liability company, is a wholly owned subsidiary of Cannae Holdings, Inc. (Cannae). FNFV holds majority and minority equity investment stakes in a number of entities, including ABRH, LLC, Ceridian HCM, Inc. and Del Frisco s Restaurant Group, Inc.

On November 17, 2017, FNF completed a previously announced transaction in which it redeemed all of the outstanding shares of FNFV common stock (formerly a tracking stock of FNF) for outstanding shares of Cannae, formerly a wholly owned subsidiary of FNF. Prior to such redemption, FNFV was contributed to Cannae. Following the completion of the redemption and the resulting separation of Cannae from FNF (collectively, the Cannae Split-Off), the common stock of Cannae was listed on the NYSE under the ticker symbol CNNE .

Q: Who is FNH?

A: FNH, a Delaware limited liability company, is a joint venture owned by FNFV, Newport Global Opportunities Fund I-A AIV (ABRH) LP, a Delaware limited partnership (together with its affiliates, Newport), and certain individuals. FNH is a holding company and its subsidiaries own and operate more than 550 company and franchise family and casual dining restaurants in 40 states and Guam under the O Charley s, Ninety Nine Restaurant & Pub, Village Inn, and Bakers Square restaurant and food service concepts, and the Legendary Baking bakery operation.

Q: Who is BKAS?

A: Black Knight Advisory Services, LLC, is a Delaware limited liability company majority owned by William P. Foley, II, that provides the Company with corporate management consulting and strategic advisory services, including assisting with corporate strategy and planning, developing strategies for improving the performance of the Company, advising on debt and equity financing and developing negotiation, acquisition and divesture strategies.

Questions and Answers About the Transactions, Generally

Q: How does the Company propose to acquire 99 Restaurants?

A: Subject to our obtaining the Requisite Shareholder Approvals (as defined below) and the satisfaction of certain other closing conditions, we have agreed to acquire the business of 99 Restaurants through the merger of Merger Sub with and into 99 Restaurants, with 99 Restaurants as the surviving entity (the Merger). Immediately following the consummation of the Merger, JAX Op will contribute the equity interests of 99 Restaurants to one of its wholly owned subsidiaries, J. Alexander s, LLC. Thereafter, 99 Restaurants will carry on its business as an indirect subsidiary of JAX Op.

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Q. What will the Company pay the Sellers as merger consideration?

A: As consideration for the Merger (the Merger Consideration), the Company will issue to the Sellers, collectively, 16,272,727 shares of Class B Common Stock and 16,272,727 Class B Units and will assume up to $20 million in net debt. For purposes of the Merger, each Class B Unit of JAX Op, together with one share of Class B Common Stock, will be issued at an agreed value of $11.00, which is a per-share value higher than the trading price of Current Common Stock on the date the Merger Agreement was entered into. Promptly upon the Closing of the Merger, the Company intends to repay and/or refinance all assumed debt through a combination of the cash retained by 99 Restaurants from the FNFV Cash Contribution (as defined below) and the proceeds of additional borrowings obtained pursuant to an amendment to the Company s existing credit facility.

The Merger Consideration will be subject to a customary net working capital adjustment by comparing actual net working capital of 99 Restaurants as of the Closing to a target net working capital amount. Any adjustment to the Merger Consideration in favor of the Company will be paid via the cancellation of outstanding Class B Units and a corresponding number of shares of Class B Common Stock held by the Sellers, valued at $11.00 per unit/share combination. Any adjustment to the Merger Consideration in favor of the Sellers will be paid via the issuance of additional Class B Units and a corresponding number of shares of Class B Common Stock to the Sellers, valued at $11.00 per unit/share combination.

Q: How was the number of shares of the Company s Class B Common Stock and JAX Op s Class B Units to be issued in connection with the Transactions determined?

A: The number of Class B Units, and corresponding shares of Class B Common Stock, to be issued in the Transactions was determined by dividing $179 million (the agreed-upon value of the equity component of the Merger Consideration) by $11.00 (the agreed-upon value per Class B Unit (and corresponding share of Class B Common Stock)). This value represented an approximate premium of 8.9% over $10.10, the closing price per share of Current Common Stock on the NYSE on August 3, 2017, the date of the Merger Agreement. For a discussion of the $11.00 per share value, see pages 54 57 of this proxy statement in the section entitled *The Company s Board of Directors Reasons for Approving the Transactions Background of the Transactions.*

Q: Why am I being asked to approve an increase in the number of authorized shares of capital stock of the Company?

A: In Proposal 3b, the Authorized Shares Amendment, shareholders are being asked to approve the amendment of the Charter to increase the number of authorized shares of the Company s capital stock from 40,000,000 shares, of which 30,000,000 shares are classified as Current Common Stock and 10,000,000 are classified as preferred stock, to 100,000,000 shares, of which 70,000,000 shares will be classified as Class A Common Stock, 30,000,000 shares will be classified as Class B Common Stock and 10,000,000 shares will be classified as preferred stock. The Company currently has 14,695,176 shares of Current Common Stock issued and outstanding and, accordingly, does not currently have enough authorized capital stock to issue shares sufficient to complete the Transactions. In addition to the increase in shares of capital stock necessary to effect the Transactions, which amount includes the Class B Common Stock to be issued to the Sellers and Class A Common Stock reserved for the exchange of Class B Units, the Company is also seeking approval to increase the authorized shares of capital stock in sufficient amount to maintain, immediately following the completion of the Transactions, approximately the same proportion of authorized shares available for future issuance to outstanding shares as the Company has prior to the Transactions. For more information on the Company s rationale for the increase in authorized capital stock, as well as estimates of shares available for future issuance immediately following the completion of the Transactions, please see *Proposal 3b: Authorized Shares Charter Amendment* beginning on page 146 of this proxy statement.

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Q: When do you expect the Transactions to be completed?

A: Subject to shareholder approval of Proposals 1, 2, 3a, 3b and 4 at the Special Meeting, the Company expects to complete the Transactions in the first quarter of 2018. The Closing remains subject to a number of closing conditions, including the approval by the Company s shareholders of the Transactions (which is the subject of this proxy statement).

Q: Are there risks associated with the Transactions?

A: Yes. The material risks associated with the Transactions that are known to us are discussed in the section entitled *Risk Factors* beginning on page 30 of this proxy statement.

Questions and Answers about the Results of the Transactions

Q: What will be the relative ownership of the Company after the Transactions?

A: Following the Merger, and after giving effect to the Charter Amendments, the issuance of Class B Common Stock and the Reclassification of Current Common Stock as Class A Common Stock, the Class A Common Stock will represent approximately 47.5% of the outstanding shares of capital stock (and voting power) of the Company and 47.5% of the economics of the Company and its subsidiaries, and the Class B Common Stock held by the Sellers will represent approximately 52.5% of the outstanding shares of capital stock (and voting power) of the Company, based on the number of shares of Current Common Stock outstanding as of December 19, 2017. Class A Common Stock will have the same voting and economic rights as Current Common Stock. Class B Common Stock will have voting rights, but no economic rights. Sellers will have an aggregate 52.5% economic interest (as calculated on December 19, 2017) in JAX Op through ownership of Class B Units.

Q: Will the Company be a controlled company for purposes of the NYSE rules?

A: Following the completion of the Transactions, the Company will be a controlled company under the listing standards of the NYSE. However, the Company does not currently intend to avail itself of any of the exemptions from certain NYSE corporate governance requirements that are available to controlled companies.

Q: Will anything happen to my Current Common Stock upon completion of the Transactions?

A: No. After the completion of the Transactions, each existing Company shareholder will have the same number of shares of Current Common Stock (along with the same rights and privileges in respect of such shares) that such shareholder held immediately prior to the Transactions, except that such Current Common Stock will be reclassified as Class A Common Stock. However, because the Company will be issuing new shares of Class B Common Stock in connection with the Transactions, each share of Class A Common Stock will represent a smaller ownership percentage of a larger company after the Transactions when compared to each existing share of Current Common Stock, and the Class A Common Stock will hold approximately 47.5% of the voting power of the Company.

Q: Will there be any change to the Board or the executive officers of the Company after the Transactions?

A: Yes. In connection with the Transactions, William P. Foley, II, non-Executive Chairman of the board of directors of FNF, is expected to join the Board. There will be no other changes in the Board or the Company s executive officers in connection with the Transactions.

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Q: What will happen to the Consulting Agreement with BKAS?

A: In connection with the Transactions, the Consulting Agreement will be terminated in exchange for a termination fee of $2,090,384, together with the payment of any fees or expenses accrued as of such date to be paid by the Company to BKAS. The termination of the Consulting Agreement upon the Closing will cause the BKAS profits interest units to vest fully and become exchangeable into Class A Common Stock for a period of 90 days. Because the termination is occurring in connection with a transaction, the resulting termination fee under the Consulting Agreement is less than half of the amount the termination fee would have been had the Company terminated the Consulting Agreement on December 31, 2017, absent the Transactions.

Q: What should I do now?

A: After carefully reading and considering the information contained in this proxy statement, please fill out and sign the white proxy card, and then mail your completed and signed white proxy card in the enclosed prepaid envelope as soon as possible so that your shares of Current Common Stock may be voted at the Special Meeting. Alternatively, you may follow the instructions on the white proxy card and submit instructions on voting your shares of Current Common Stock over the Internet or by telephone. Your white proxy card or your Internet or telephone directions will instruct the persons identified as your proxy to vote your shares at the Special Meeting as directed by you. If you hold your shares through a broker or other nominee, you should follow the instructions provided by your broker or other nominee when instructing them on how to vote your shares.

You may also obtain additional information about the Company from the documents the Company files with the Commission, or by following the instructions in the section entitled ***Where You Can Find More Information*** **beginning on page 151.**

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SUMMARY OF MATERIAL TERMS OF THE TRANSACTIONS

This summary highlights selected information contained in this proxy statement and may not contain all of the information that is important to you. You should read carefully this entire document, including all appendices hereto, for a more complete understanding of the Transactions and voting procedures for the Special Meeting.

Parties to the Merger Agreement (Page 47)

J. Alexander s Holdings, Inc. (the Company)

The Company is a Tennessee corporation whose common stock is publicly traded on the NYSE under the symbol JAX. The Company is a collection of boutique restaurants that focus on providing high quality food, outstanding professional service and an attractive ambiance. The Company presently owns and operates the following concepts: J. Alexander s, Redlands Grill, Stoney River Steakhouse and Grill and Lyndhurst Grill.

The address and telephone number of the principal executive offices of the Company are 3401 West End Avenue, Suite 260, P.O. Box 24300, Nashville, Tennessee 37202 and (615) 269-1900. Additional information about the Company and its subsidiaries is included in documents incorporated by reference into this proxy statement. See *Where You Can Find More Information* on page 151 of this proxy statement.

J. Alexander s Holdings, LLC (JAX Op)

JAX Op is a Delaware limited liability company and a majority owned subsidiary of the Company. JAX Op is a holding company through which the Company conducts its business.

The address and telephone number of the principal executive offices of JAX Op are c/o J. Alexander s Holdings, Inc., 3401 West End Avenue, Suite 260, P.O. Box 24300, Nashville, Tennessee 37202 and (615) 269-1900.

Nitro Merger Sub, Inc. (Merger Sub)

Merger Sub is a Tennessee corporation and wholly owned subsidiary of JAX Op formed solely for the purpose of implementing the Transactions. It has not carried on any activities or operations to date, except for those activities incidental to its formation and undertaken in connection with the Transactions.

The address and telephone number of the principal executive offices of Merger Sub are c/o J. Alexander s Holdings, Inc., 3401 West End Avenue, Suite 260, P.O. Box 24300, Nashville, Tennessee 37202 and (615) 269-1900.

99 Restaurants, LLC (99 Restaurants)

99 Restaurants is a Delaware limited liability company and an indirect, wholly owned subsidiary of FNH that operates the Ninety Nine Restaurant & Pub concept (Ninety Nine). Ninety Nine is a Woburn, Massachusetts-based casual-dining concept that began in 1952 with its initial location at 99 State Street in downtown Boston, Massachusetts and is currently operating 106 restaurants in seven states within the New England area. All restaurants are open seven days a week and serve lunch and dinner.

The address and telephone number of the principal executive offices of 99 Restaurants are 14A Gill Street, Woburn, Massachusetts 01801 and (781) 933-8999.

Cannae Holdings, LLC (f/k/a Fidelity National Financial Ventures, LLC) (FNFV)

FNFV, a Delaware limited liability company, is a wholly owned subsidiary of Cannae. FNFV holds majority and minority equity investment stakes in a number of entities, including ABRH, LLC, Ceridian HCM, Inc. and Del Frisco s Restaurant Group, Inc.

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On November 17, 2017, FNF completed a previously announced transaction in which it redeemed all of the outstanding shares of FNFV common stock (formerly a tracking stock of FNF) for outstanding shares of Cannae, formerly a wholly owned subsidiary of FNF. Prior to such redemption, FNFV was contributed to Cannae. Following the completion of the Cannae Split-Off, the common stock of Cannae was listed on the NYSE under the ticker symbol CNNE .

The address and telephone number of the principal executive offices of FNFV are 1701 Village Center Circle, Las Vegas, Nevada 89134 and (702) 323-7334.

Fidelity Newport Holdings, LLC (FNH)

FNH, a Delaware limited liability company, is a joint venture owned by FNFV, Newport and certain individuals. FNH is a holding company and its subsidiaries own and operate more than 550 company and franchise family and casual dining restaurants in 40 states and Guam under the O Charley s, Ninety Nine Restaurant & Pub, Village Inn, and Bakers Square restaurant and food service concepts, and the Legendary Baking bakery operation. Following the completion of the Cannae Split-off, FNH is a majority owned subsidiary of Cannae.

The address and telephone number of the principal executive offices of FNH are 1701 Village Center Circle, Las Vegas, Nevada 89134 and (702) 323-7334.

The Transactions

General Description (page 49)

On August 3, 2017, the Company, JAX Op and Merger Sub entered into the Merger Agreement with FNH, FNFV and 99 Restaurants. Pursuant to the Merger Agreement, the Company has agreed to acquire 99 Restaurants in exchange for the issuance by JAX Op of 16,272,727 Class B Units (and a corresponding number of shares of the Company s Class B Common Stock) and the assumption of $20 million of net debt. The transaction (including the assumption of net debt) is valued at approximately $199 million, subject to certain adjustments and based on the agreed-upon $11.00 per share value of the equity component of the Merger Consideration. The acquisition of 99 Restaurants will occur by Merger Sub merging with and into 99 Restaurants, with 99 Restaurants surviving the Merger as a wholly owned subsidiary of JAX Op.

Corporate Structure Following Completion of the Transactions (page 49)

If the Transactions are consummated in accordance with the terms of the Merger Agreement, the following changes in the Company s and JAX Op s organizational structure will occur:

The Company

Shares of Current Common Stock will be reclassified as Class A Common Stock, which will have the same rights and privileges as Current Common Stock, and will continue to be listed for trading on the NYSE under the ticker symbol JAX . No additional shares of Class A Common Stock will be issued at Closing as part of the Transactions.

The Company will issue 16,272,727 shares of newly created Class B Common Stock, which shares will be entitled to voting rights (on a one-for-one basis with shares of Class A Common Stock) but will have no economic rights in the Company (although the Sellers will have an economic interest in JAX Op through ownership of Class B Units). The Class B Common Stock will not be listed for trading on any exchange.

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JAX Op

JAX Op will create a new class of membership interest, Class B Units, which will be the economic equivalent to Class A Units of JAX Op held by the Company; 16,272,727 Class B Units will be issued to the Sellers. The Class B Units may be surrendered to JAX Op for cash or, at the Company s option if it so chooses, exchanged for shares of Class A Common Stock (on a one-for-one basis), in each case, along with the cancellation of an equal number of shares of Class B Common Stock.

Existing Class A Units are held by the Company and will be unaffected by the Merger (but will be diluted by the issuance of Class B Units to the Sellers).

Existing management Class B Units will be renamed Class C Units and will continue to represent profits interests held by management for incentive compensation purposes and held by BKAS (for up to 90 days after the Closing).

The diagram below summarizes the organization structure of the Company and its subsidiaries immediately after completion of the Transactions (with percentage interests determined as of December 19, 2017):

The diagram above does not depict profits interest units held by BKAS, which will be exchangeable into Class A Common Stock for a period of 90 days following the Closing, and does not give effect to any exchange by BKAS (as defined herein) of its profits interest units for shares of Class A Common Stock. For further information on BKAS s profits interest units, see *Ancillary Agreements Black Knight Termination Agreement*. The diagram above also does not give effect to any exchange by members of management of their profits interest units for shares of Class A Common Stock or the issuance of any shares of Class A Common Stock following the exercise by any Company employee or director of any outstanding Company stock options.

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After completion of the Transactions, the Company will be a controlled company under the listing standards of the NYSE. However, the Company does not currently intend to avail itself of any of the exemptions from certain NYSE corporate governance requirements that are available to controlled companies.

The Company s Board of Directors Reasons for Approving the Transactions (page 51)

The Board has determined that the Transactions are in the best interests of the Company and its shareholders because the acquisition of 99 Restaurants presents a compelling strategic opportunity to expand the Company s business, increase the scale of the Company and increase investor and analyst interest in the Company, allowing the current shareholders to participate in the future growth of the Company. For a complete discussion of the Board s reasons for approving the Transactions, see the sections entitled *The Transactions Recommendation of the Company s Board of Directors* and *The Transactions The Company s Board of Directors Reasons for Approving the Transactions.*

Recommendation of the Company s Board of Directors (page 44)

After due consideration, the Board has (i) determined and declared that Merger Agreement and the Transactions, including the Merger, are advisable, fair to and in the best interests of the Company and its shareholders, (ii) unanimously approved the Merger Agreement and the Transactions, (iii) directed that the Merger Agreement and the Transactions be submitted to Company shareholders for approval and (iv) recommended that the Company shareholders approve the Merger Agreement and the Transactions.

For a description of the factors considered by the Board in making its determinations with respect to the Merger Agreement and the Transactions, see the sections in this proxy statement entitled *The Transactions Recommendation of the Company s Board of Directors* and *The Transactions The Company s Board of Directors Reasons for Approving the Transactions*.

The Board recommends, subject to the ability of the Board to make a Recommendation Withdrawal (as defined in the Merger Agreement) pursuant to and in accordance with the terms of the Merger Agreement, that Company shareholders vote:

FOR the proposal to approve the Merger Agreement,

FOR the proposal that the Transactions be approved by disinterested shareholders action pursuant to Section 48-18-704 of the TBCA,

FOR the proposal to approve the Reclassification Amendment,

FOR the proposal to approve the Authorized Shares Amendment,

FOR the proposal to approve the CSAA Amendment, and

FOR the proposal to adjourn the Special Meeting, if necessary or advisable, to solicit additional proxies to approve the other proposals to be submitted for a vote at the Special Meeting.

Opinion of Stephens Inc. (page 66)

The Board engaged Stephens Inc. (Stephens) to provide a fairness opinion, from a financial point of view, of the proposed merger of the Company and 99 Restaurants. On August 3, 2017, Stephens rendered its oral opinion to the Board, which was subsequently confirmed in writing by delivery of Stephens written opinion dated the same date, based upon and subject to the assumptions, limitations and qualifications contained in its opinion, and other matters Stephens considers relevant, that the Merger Consideration was fair, from a financial point of view, to the Company and its shareholders.

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The full text of Stephens written opinion is attached as Appendix C to this proxy statement and is incorporated herein by reference. The Company s shareholders are urged to read the opinion in its entirety for a description of the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Stephens. The description of the opinion set forth herein is qualified in its entirety by reference to the full text of such opinion.

Stephens opinion speaks only as of the date of the opinion and addresses only the fairness, from a financial point of view, of the Transactions on the terms set forth in the Merger Agreement in the form provided to Stephens. Stephens opinion does not address the merits of the underlying decision by the Company to enter into the Merger Agreement, the merits of the Transactions as compared to other alternatives potentially available to the Company or the relative effects of any alternative transaction in which the Company might engage, nor is it intended to be a recommendation to any person as to how to vote on the proposal to approve the Transactions.

For further information, see *The Transactions Opinion of Stephens Inc.* on page 66.

Interests of Certain Company Directors and Executive Officers (page 74)

Certain Company directors and executive officers have interests in the Transactions that are different from, or in addition to, those of the Company s shareholders generally. These interests include:

- *Ownership Interests in Parties to Transactions*. Certain of our directors and executive officers hold direct or indirect ownership interests in counterparties to the Transactions, including FNF, FNFV, FNH and BKAS. As a result, these directors and executive officers may receive certain economic benefits from the transaction that will be different from, or in addition to, the benefits that are expected to inure to the Company s shareholders generally as a result of the Transactions. For instance, BKAS will receive a termination payment from the Company and its profits interest units will be vested upon the Closing and become exchangeable into Class A Common Stock for a period of 90 days. See *Ancillary Agreements Black Knight Termination Agreement*.

- *Positions of Management within Parties to Transaction*. Certain of our directors and executive officers hold or previously held positions within the management teams of counterparties to the Transactions and related parties, including FNF, FNFV, FNH and BKAS, including as board members or management executives, and as a result of such positions, receive compensation payments related to the performance of those counterparties, which may include compensation payments made in connection with the Transactions. We are not aware of any specific payments to which any such persons may be entitled.

- *Treatment of Company Equity Awards*. Each of our directors and executive officers has in the past been granted stock options under our Stock Plan. Because the Transactions will constitute a change in control of the Company under the Stock Plan, outstanding stock options that remain subject to vesting will vest in connection with the Transactions and thereafter become exercisable. No cash payments will be made as a result of the vesting of previously unvested options.

Contractual Change in Control Benefits. In addition to the vesting of their stock options, certain of our executive officers are parties to employment agreements that would provide them with certain severance payments in the event such executive officer s employment was terminated without cause or for good reason within a certain period of time following a change in control, as defined in the agreements.

Indemnification and Insurance. The Company s directors and executive officers are entitled to indemnification and insurance coverage pursuant to indemnification agreements with the Company, applicable provisions of the Charter and the Company s bylaws and a directors and officers liability insurance policy purchased by the Company.

Other Material Relationships. In addition to the foregoing, certain of our directors and executive officers may have, or have had in the past, other business, personal or financial relationships with persons affiliated with counterparties to the Transactions, including FNF, FNFV, FNH and BKAS.

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These interests may cause the Company s directors and executive officers to view the proposed Transactions differently and more favorably than Company shareholders, generally, may view them. As a result of these potential interests, the Board has determined that, in addition to any required approvals under applicable law, the Transactions should also be submitted for approval by a disinterested shareholders action pursuant to Section 48-18-704 of the TBCA. For more information and a detailed discussion of the foregoing interests, see *Interests of Certain Company Directors and Executive Officers* beginning on page 74 of this proxy statement.

Certain Relationships between the Company and the Parties to the Transactions (page 80)

Relationship with FNF, FNFV and FNH

Since 2012, the Company has engaged in certain transactions involving, and has maintained certain material relationships with, FNF, FNFV, and FNH.

In 2012, FNFV acquired both J. Alexander s Corporation (JAC) and O Charley s, Inc., which at that time was a publicly traded company that operated the O Charley s, Ninety Nine Restaurants and Stoney River Legendary Steaks restaurant concepts. O Charley s, Inc. was subsequently transferred to FNH. In February of 2013, FNFV contributed JAC to JAX Op, which was a newly formed, wholly owned subsidiary of FNFV. Also in February of 2013, FNH transferred the assets related to the Stoney River Legendary Steaks restaurant concept to JAX Op, thereby making JAX Op a partnership between FNFV and FNH. Stoney River was then rebranded as a J. Alexander s Holdings restaurant concept.

In the third quarter of fiscal year 2015, the board of directors of FNF approved the legal and structural separation of the Company from FNF, pursuant to which the Company became an independent, publicly-traded company (the Spin-off). In the Spin-off, which was completed on September 29, 2015, FNF distributed all of its shares of the Company s common stock to holders of record of FNFV Group common stock (FNF s tracking stock related to FNFV and its subsidiary assets), as of September 22, 2015, the record date for the Spin-off. At this time, FNFV and FNH no longer held our equity, but certain owners of FNH did continue to own our equity, primarily Newport.

Following the Spin-off, the Company has operated as an independent, publicly-traded company, but has remained party to certain Spin-off related agreements with FNF, including a Separation and Distribution Agreement and a Tax Matters Agreement (each as defined herein). The Separation and Distribution Agreement sets forth our agreements with FNF regarding the principal actions to be taken in connection with the Spin-off and governs aspects of our relationship with FNF following the Spin-off. In addition, the Company and FNF each agreed to indemnify the other and each of the other s current, former and future directors, officers and employees, and each of their heirs, administrators, executors, successors and assigns, against certain liabilities incurred in connection with the Spin-off and our and FNF s respective businesses.

The Tax Matters Agreement governs the respective rights, responsibilities and obligations of FNF and the Company after the Spin-off with respect to certain tax matters (including tax liabilities, tax attributes, tax returns and tax contests), and provides for certain mutual indemnities related to such tax matters. The Tax Matters Agreement also imposes certain restrictions on us and our subsidiaries (including restrictions on share issuances, sales of assets, engaging in certain business transactions such as the Transactions and voluntarily dissolving or liquidating) that were designed to preserve the tax-free nature of the Spin-off. These contractual restrictions applied for the two-year period after the Spin-off.

In connection with the Company s negotiation of the Merger Agreement, the Company and FNF negotiated a form of waiver agreement (the FNF Waiver Agreement), which will be executed at Closing, pursuant to which FNF will (A) waive all covenants and other provisions of the Tax Matters Agreement that would prohibit or in

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any way purport to restrict the consummation of the Transactions in accordance with the terms of the Merger Agreement and (B) waive, on behalf of itself and the applicable indemnified parties in the Separation and Distribution Agreement and the Tax Matters Agreement, the right of FNF and any such applicable indemnified party to seek indemnification from or make claims against the Company under the Separation and Distribution Agreement or the Tax Matters Agreement arising out of any liability incurred or loss suffered by FNF or any such applicable indemnified party relating to, arising out of or resulting from the Transactions.

In addition, under the Merger Agreement, FNFV and FNH will indemnify the Company for any amount for which the Company is responsible under the Tax Matters Agreement or the Separation and Distribution Agreement arising as a result of or in connection with the Transactions.

Management Consulting Agreement with BKAS

Prior to the Spin-off, JAX Op and BKAS entered into the Consulting Agreement, pursuant to which BKAS would provide corporate and strategic advisory services to us.

As compensation for services rendered to us under the Consulting Agreement, JAX Op issued to BKAS 1,500,024 non-voting profits interest units representing an amount equal to 8.7% of the outstanding units of JAX Op. In addition, we agreed to pay to BKAS an annual fee equal to 3.0% of our Adjusted EBITDA (calculated pursuant to the Consulting Agreement) for each fiscal year during the term of the Consulting Agreement. We also agreed to reimburse BKAS for its direct out-of-pocket costs incurred for management services provided to us. Under the Consulting Agreement, Adjusted EBITDA means our net income (loss) before interest expense, income tax (expense) benefit, depreciation and amortization, and adding asset impairment charges and restaurant closing costs, loss on disposals of fixed assets, transaction and integration costs, non-cash compensation, loss from discontinued operations, gain on debt extinguishment, pre-opening costs and certain unusual items.

Under its terms, the Consulting Agreement would continue in effect for an initial term of seven years and would be renewed for successive one-year periods thereafter unless earlier terminated (i) by us upon at least six months prior notice to BKAS or (ii) by BKAS upon 30 days prior notice to us. In the event that the Consulting Agreement was terminated by us prior to the tenth anniversary thereof, or by BKAS within 180 days after a change of control event with respect to us, we will be obligated to pay to BKAS an early termination payment equal to the product of (i) the annual base fee for the most recent fiscal year and (ii) the difference between ten and the number of years that have elapsed under the Consulting Agreement, provided that in the event of such a termination following a change of control event, the multiple of the annual base fee to be paid may not exceed three.

In connection with the Company s entry into the Merger Agreement, the Company negotiated and entered into the Black Knight Termination Agreement (as defined herein), pursuant to which the parties have agreed that, effective as of and conditioned upon the Closing under the Merger Agreement, the Consulting Agreement will terminate in exchange for a termination fee of $2,090,384, together with the payment of any fees or expenses accrued as of such date to be paid by the Company to BKAS. This termination fee was calculated using the formula described above that would apply in connection with a termination event following a change of control as set forth in the Consulting Agreement. Because the termination is occurring in connection with a transaction, the resulting termination fee under the Consulting Agreement is less than half of the amount the termination fee would have been had the Company terminated the Consulting Agreement on December 31, 2017, absent the Transactions.

Upon termination of the Consulting Agreement, the currently outstanding 1,500,024 profits interest units held by BKAS will have vested in full, in accordance with the terms of the underlying grant agreement. This represents the accelerated vesting of 500,008 currently unvested units. After the closing, the profits interest units must be

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exchanged for Class A Common Stock within 90 days following the Closing date or, if not exchanged, will be cancelled and forfeited.

As of November 10, 2017, a total of 1,000,016 of the profits interest units granted to BKAS on October 6, 2015 are vested. Under the Black Knight Termination Agreement, the remaining 500,008 unvested profits interest units granted to BKAS will immediately vest concurrent with the closing of the Transactions, resulting in the total outstanding 1,500,024 profits interest units being fully vested. The Consulting Agreement, together with the Unit Grant Agreement governing the terms of the BKAS profits interest grant, provides that if the Consulting Agreement is terminated for any reason other than a failure to perform under the Consulting Agreement by BKAS, all unvested and outstanding profits interest units would immediately vest. Therefore, if the Company had elected to terminate the Consulting Agreement absent the merger transaction, the unvested profits interest units held by BKAS would have similarly accelerated in their vesting. Under its original vesting schedule, the profits interest would have vested in full in October 2018.

The ultimate economic value of the profits interest grant will be dependent upon the market capitalization of the Company, if and when the grant s exchange rights are exercised by BKAS in the 90-day period after the termination of the Consulting Agreement. The Company s market capitalization is calculated as the 5-day volume-weighted average price (VWAP) of the Company s Class A Common Stock as of the exercise of the profits interest, multiplied by the number of outstanding shares of Class A and Class B Common Stock of the Company.

The profits interest units held by BKAS are exchangeable only for shares of Class A Common Stock of the Company and cannot be exchanged for a cash payment. The number of shares of Class A Common Stock issuable upon exercise of the profits interest grant will be calculated based on this market capitalization amount in excess of a designated hurdle rate, which is anticipated to be approximately $308.1 million after the Transactions (assuming a share price at closing of $9.85 per share). For illustrative purposes, the table below shows the Company s estimate as of November 10, 2017 of the number of shares of Class A Common Stock that will be issuable at varying VWAPs upon an exchange after the Merger of the 1,500,024 outstanding profits interest units held by BKAS:

VWAP	Estimated Number of Shares of Class A Common Stock
$9.00	
$10.00	7,000
$11.00	133,000
$12.00	238,000
$13.00	327,000
$14.00	404,000
$15.00	470,000

For a discussion of the value of the profits interest units for accounting purposes, see note 5 to the Unaudited Pro Forma Condensed Consolidated Financial Statements beginning on page 112 of this proxy statement.

The principal member of BKAS is William P. Foley, II, non-Executive Chairman of the board of directors of FNF, Senior Managing Director of FNFV and a director of FNH. He is also a direct or indirect owner of FNF, FNFV and FNH and beneficially owns approximately 4.40% of the Company s Current Common Stock. Upon the Closing, Mr. Foley will be added as a member of the Board.

The other members of BKAS consist of other current and former officers of FNF, FNFV and FNH, and Lonnie J. Stout II, our President and Chief Executive Officer.

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The Company s Board of Directors and Executive Officers after the Consummation of the Transactions (page 83)

William P. Foley, II, non-Executive Chairman of the board of directors of FNF, will join the Company s Board in connection with the Transactions. Otherwise, the Board and executive officers of the Company will be unchanged by the Transactions.

Material Federal Income Tax Consequences of the Transactions (page 83)

Because Company shareholders will not participate in the Transactions, our shareholders will not recognize gain or loss for federal income tax purposes in connection with the Transactions.

Accounting Treatment (page 83)

The Company prepares its financial statements in accordance with U.S. generally accepted accounting principles (GAAP). Under GAAP, the transaction will be accounted for as a reverse acquisition under the acquisition method of accounting in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Section 805, Business Combinations. Because 99 Restaurants equity holders, FNH and FNFV, will receive a majority of the equity securities and voting rights of the combined company, the 99 Restaurants historical business is larger than the Company s in terms of revenues, earnings and number of units, and because William P. Foley, II, non-Executive Chairman of the board of directors of FNF, will be added to the combined company s board of directors, 99 Restaurants is considered to be the acquirer of the Company for accounting purposes. This means that the combined company will allocate the deemed purchase price to the fair value of the Company s assets and liabilities at the acquisition date, with any excess purchase price being recorded as goodwill. The assets and liabilities of 99 Restaurants will continue to be stated at historical costs in the consolidated financial statements of the combined company.

Federal Securities Law Consequences; Resale Restrictions (page 84)

The Class B Units and the shares of Class B Common Stock to be issued in the Transactions to the Sellers will be restricted securities. These units and shares will not be registered under the Securities Act of 1933, as amended (the Securities Act) upon issuance and will not be freely transferable. The Sellers may not sell their Class B Units or shares of Class B Common Stock received as Merger Consideration except pursuant to an effective registration statement under the Securities Act covering the resale of those shares or an exemption from registration under the Securities Act. The shares of Class A Common Stock received pursuant to an exchange of Class B Units and shares of Class B Common Stock may be registered for resale pursuant to a registration rights agreement. See *Ancillary Agreements Registration Rights Agreement* beginning on page 100 of this proxy statement.

No Dissenters Rights (page 84)

No shareholder of the Company will be entitled to exercise dissenters rights and demand payment for his, her or its shares of Current Common Stock in connection with the Transactions.

The Merger Agreement

The Transactions (page 49)

Subject to the terms and conditions of the Merger Agreement and in accordance with the TBCA and the Delaware Limited Liability Company Act, the Merger Agreement contemplates that the Merger Sub will merge with and into 99 Restaurants, whereupon the separate existence of Merger Sub will cease and 99 Restaurants will continue as the surviving entity and a subsidiary of the Company. After the completion of the Merger, the

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certificate of formation of 99 Restaurants in effect immediately prior to the effective time of the Merger will be the certificate of formation of the surviving entity and the limited liability company agreement of 99 Restaurants in effect immediately prior to the effective time of the Merger will be the limited liability company agreement of the surviving entity.

Merger Consideration (page 87)

As consideration for the Merger, the Company will issue to the Sellers, collectively, 16,272,727 Class B Units and 16,272,727 shares of Class B Common Stock, and the Company will assume $20 million in net debt. For purposes of the Merger, each Class B Unit of JAX Op, together with one share of Class B Common Stock, will be issued at an agreed value of $11.00, which is a per-share price higher than the $10.10 trading price of Current Common Stock on the date the Merger Agreement was entered into. The number of Class B Units, and corresponding shares of Class B Common Stock, to be issued in the Merger was determined by dividing $179 million by $11.00.

Until the effective time of the Merger, the Merger Consideration will be adjusted to reflect appropriately the effect of any stock split, reverse stock split, stock dividend or other like change with respect to Current Common Stock. Following the Closing, the Merger Consideration will be subject to a customary net working capital adjustment by comparing actual net working capital of 99 Restaurants as of the Closing to a target net working capital amount.

Upon final determination, any adjustment to the Merger Consideration in favor of the Company will be paid via the cancellation of outstanding Class B Units and a corresponding number of shares of Class B Common Stock held by the Sellers, valued at $11.00 per unit/share combination. Any adjustment to the Merger Consideration in favor of the Sellers will be paid via the issuance of additional Class B Units and a corresponding number of shares of Class B Common Stock to the Sellers, valued at $11.00 per unit/share combination.

Representations and Warranties (page 88)

The Merger Agreement contains customary and, in many cases, reciprocal representations and warranties by 99 Restaurants, Merger Sub, the Company and JAX Op, and certain representations and warranties by each of FNH and FNFV. The representations and warranties are subject, in some cases, to specified exceptions and qualifications contained in confidential disclosure schedules that were delivered in connection with the execution of the Merger Agreement.

Covenants (page 90)

Each of the parties have also made customary covenants in the Merger Agreement, including, but not limited to, covenants to (a) prepare and file with the Commission, as soon as practicable following the date of the Merger Agreement, the form of proxy statement that will be provided to the Company shareholders in connection with the solicitation of proxies for the Special Meeting; (b) make all appropriate filings, by the Company and the Sellers or their affiliates, as applicable, under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the HSR Act); (c) grant each other reasonable access during normal business hours to certain records and other informational materials; (d) cooperate with each other and use respective reasonable best efforts to obtain the consents, approvals and authorizations that are necessary to consummate the Transactions; (e) pay certain expenses incurred in connection with the Merger Agreement and the Transactions; (f) consult with each other before issuing, and give each other the opportunity to review and comment upon, any press release or other public statements concerning the Transactions; and (g) notify each other upon the occurrence of certain events. Additionally, the Company agreed to, among other things, (i) provide (subject to continued employment) base salaries and wage rates to all transferred employees that are substantially the same as received by such

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transferred employees as of the date of the Merger Agreement, (ii) provide such transferred employees with service credit for purposes of eligibility and vesting under certain benefit plans and (iii) waive pre-existing condition exclusions and waiting periods with respect to participation and coverage requirements in any replacement or successor welfare benefit plan of the Company or its subsidiaries in which any transferred employee is eligible to participate.

Conduct of the Business Pending the Transactions (page 92)

Each of the Company and 99 Restaurants have agreed, subject to certain exceptions, to conduct their respective restaurant businesses in the ordinary course consistent with past practice between the execution of the Merger Agreement and the Closing and not to take certain actions during such period without the prior consent of the other party.

Conditions to Consummation of the Transactions (page 95)

The completion of the Transactions is subject to the satisfaction (or waiver) of various customary conditions set forth in the Merger Agreement, including, but not limited to, (i) the Company s shareholders approval of the Merger Agreement and the Transactions (as described in further detail below), (ii) the expiration or early termination of any applicable waiting period under the HSR Act (which has already occurred), (iii) the absence of any restraint or law preventing or prohibiting the consummation of the Merger, (iv) the accuracy of 99 Restaurants and the Company s representations and warranties (subject to certain materiality qualifiers), (v) the Sellers , 99 Restaurants and the Company s (and each of their respective subsidiaries) compliance in all material respects with their respective obligations under the Merger Agreement, (vi) the filing and acceptance of the Company s Restated Charter, the occurrence of the reclassification of Current Common Stock (the Reclassification) and the approval by the NYSE of the listing of Class A Common Stock, (vii) the occurrence of certain actions to be taken by the Sellers prior to the Closing, (viii) the receipt of consent of the lenders under the credit facility of FNH s subsidiaries to the consummation of the Debt Assumption (as defined herein) and the Transactions, and (ix) no material adverse effect having occurred with respect to the Company and its subsidiaries or 99 Restaurants.

Additionally, the Company s obligation to consummate the Transactions is subject to (i) the continued effectiveness of the Black Knight Termination Agreement (as described in more detail below); (ii) the entry by the Company and FNF into the FNF Waiver Agreement (as described in more detail below); and (iii) the receipt by the Company of certain audited combined financial statements of 99 Restaurants (which have already been received).

No Solicitation (page 93)

Upon the Sellers entry into the Merger Agreement, the Sellers became subject to exclusivity and no-shop restrictions that restrict the Sellers ability to solicit proposals from, encourage, discuss or negotiate, or continue to do any of the foregoing that may have been taking place as of the date of the Merger Agreement, with any third parties with respect to the acquisition of, or any similar transactions resulting in the acquisition of, 99 Restaurants.

Upon entry into the Merger Agreement, the Company also became subject to exclusivity and no shop restrictions that restrict the Company s ability to solicit proposals from, provide information to, and engage in discussions with, any third parties with respect to the acquisition of, or any similar transactions resulting in the acquisition of, the Company.

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Notwithstanding the foregoing restrictions, the no-shop restrictions on the Company are subject to a fiduciary-out provision that permits the Company to provide information to, and engage in discussions with, any third party regarding its acquisition proposal for the Company as long as:

- the third party executes a confidentiality agreement;
- the Board determines in good faith (after consultation with its financial advisor and outside counsel) (i) that the failure to take such action would be inconsistent with the Board s fiduciary duties under applicable law and (ii) that such third party s acquisition proposal is, or would reasonably be expected to result in, a superior proposal that would be more favorable to the Company s shareholders from a financial point of view than the Transactions;
- the Company provides prompt notice to 99 Restaurants of the above determinations by the Board and of its intent to engage in negotiations or discussions; and
- the alternative acquisition proposal does not result from a material breach of the no-shop restriction.

The Company must notify the Sellers promptly of any alternative acquisition proposal received by the Company or its representatives from any third party. The Board may not withdraw its recommendation in favor of the Transactions, or approve or recommend any alternative acquisition proposal or agreement with any third party, unless the Board determines in good faith (after consultation with its financial advisor and outside counsel) that failure to take such action would be inconsistent with its fiduciary duties under applicable law, and, with respect to any third party s alternative acquisition proposal, that such proposal is, or would reasonably be expected to result in, a superior proposal that would be more favorable to the Company s shareholders from a financial point of view than the Transactions.

Termination of the Merger Agreement; Termination Fee and Expense Reimbursement (page 97)

The Merger Agreement may be terminated at any time prior to the Closing (i) by mutual written consent of the parties; (ii) by either JAX Op or 99 Restaurants if (a) the Merger is not consummated by 5:00 p.m. New York City time on February 28, 2018, so long as that party s action or failure to act did not constitute a material breach or violation of any of its covenants, agreements or other obligations under the Merger Agreement and such material breach or violation or failure was not the principal cause of or did not directly result in the failure of the Closing to occur on or before the time referenced above, (b) the Requisite Shareholder Approvals (as defined under the heading *The Merger Agreement Conditions to the Consummation of the Transaction* beginning on page 95) are not obtained at the Special Meeting, or (c) a governmental entity enters a final, non-appealable order, decree, ruling or other action prohibiting the Transactions; (iii) by JAX Op if (a) 99 Restaurants, FNH or FNFV breach any of their respective representations or warranties or fail to perform all of their respective obligations, covenants or agreements required to be performed under the Merger Agreement such that the conditions to Closing would not be satisfied, and such breach or failure to perform is incurable or, if curable, not cured by the earlier of February 28, 2018 and the date that is 30 days following 99 Restaurants receipt of notice of the breach, or (b) prior to obtaining the Requisite Shareholder Approvals, the Company, immediately prior to or concurrently with the termination of the Merger Agreement and subject to additional terms therein, enters into one or more alternative proposal agreements with respect to a superior proposal (as further discussed therein), and in connection with such termination pays 99 Restaurants or its designees a termination fee (described in further detail below); and (iv) by 99 Restaurants if (a) the Company, JAX Op or Merger Sub breach any of their respective representations or warranties or fail to perform all of their respective obligations, covenants or agreements required to be performed under the Merger Agreement such that the conditions to Closing would not be satisfied, and such breach or failure to perform is incurable or, if curable, not cured by the earlier of February 28, 2018 and the date that is 30 days following JAX Op s receipt of notice of the breach, or (b) prior to the effective time of the Merger, the Board or any committee there of makes a recommendation withdrawal.

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The Company will be required to pay 99 Restaurants a termination fee of $4.0 million in connection with a termination of the Merger Agreement under any of the following circumstances: (i) JAX Op terminates the Merger Agreement and enters into an agreement for a superior transaction prior to the Company s obtaining the Requisite Shareholder Approvals; (ii) 99 Restaurants terminates the Merger Agreement following a recommendation withdrawal by the Board; or (iii) (1) if the Merger Agreement is terminated by (A) 99 Restaurants for breach of a representation, warranty or covenant by the Company, JAX Op or Merger Sub or (B) either party for failure to obtain the Requisite Shareholder Approvals, and (2) prior to the date of such termination (but after the date of the Merger Agreement), an alternative proposal is publicly announced or is otherwise communicated to the Board, and (3) within 12 months of such termination discussed in (1) above, the Company or any of its subsidiaries enters into a definitive agreement with respect to or otherwise consummates an alternative transaction (as defined and further discussed in the Merger Agreement).

In addition, the Merger Agreement provides that if the Merger Agreement is terminated as a result of a breach by one party that remains uncured, the breaching party will reimburse the non-breaching party for expenses incurred in connection with the Transactions up to a limit of $500,000.

Indemnification (page 98)

The Merger Agreement imposes indemnification obligations on each of the Sellers and JAX Op, subject to (in addition to other customary limitations) a $1.99 million deductible and a $19.9 million cap. All post-closing indemnification obligations, if any, will be paid in Class B Units and a corresponding number of shares of Class B Common Stock. Any indemnification obligation owed by the Sellers to the Company will be paid on a pro rata basis and via the cancellation of Class B Units and a corresponding number of shares of Class B Common Stock held by the Sellers. Any indemnification obligation owed by the Company to the Sellers will be paid via the issuance of additional Class B Units and a corresponding number of shares of Class B Common Stock to the Sellers on a pro rata basis.

Amendment (page 100)

Subject to the provisions of applicable laws, at any time prior to the effective time of the Merger, the parties to the Merger Agreement may modify or amend the Merger Agreement, by written agreement executed and delivered by duly authorized officers of the respective parties.

Ancillary Agreements

Registration Rights Agreement (page 100)

FNH, FNFV, the Company and JAX Op have agreed to enter into a registration rights agreement at or prior to the Closing, pursuant to which the Sellers will have the right to require the Company, at its expense, to register shares of Class A Common Stock that are issuable by the Company to the Sellers upon exchange of Class B Units of JAX Op (the Registration Rights Agreement). The Company has agreed to use its commercially reasonable efforts to file a shelf registration statement following the Sellers exercise of their rights under the Registration Rights Agreement to cover the public resale of shares of Class A Common Stock delivered by the Company to the Sellers upon an exchange of their Class B Units.

The Registration Rights Agreement will provide that the Company or JAX Op will pay certain expenses of the Sellers relating to such registration and indemnify the Sellers against certain liabilities that may arise under the Securities Act.

Second Amended and Restated Charter of the Company (page 100)

In connection with the Merger, the Company will amend its Charter to (i) increase the number of authorized shares of the Company s capital stock from 40,000,000 to 100,000,000, (ii) reclassify Current Common Stock of the Company as Class A Common Stock, and authorize a total of 70,000,000 shares of Class A Common Stock, and (iii) authorize 20,000,000 shares of Class B Common Stock (voting, non-economic). The Restated Charter will also provide for the exchange of Class B Units and any related cancellation of shares of Class B Common

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Stock. If approved by the shareholders, the Restated Charter will also be amended to provide that the Tennessee Control Share Acquisition Act will no longer apply to the capital stock of the Company and eliminate a provision that has sunsetted.

Third Amended and Restated Limited Liability Company Agreement of JAX Op (page 100)

In connection with the Merger, JAX Op and JAX Op unitholders, including FNH and FNFV, will enter into an amended and restated version of JAX Op s current operating agreement governing the rights and obligations of the unitholders and the operations of JAX Op. JAX Op will create a new class, Class B Units (economic equivalent of Class A Units held by the Company). Existing management Class B Units will be renamed Class C Units and will continue to represent profits interests held by management for incentive compensation purposes and profits interests held by BKAS (for up to 90 days after the Closing).

Black Knight Termination Agreement (page 103)

The Consulting Agreement between the Company and BKAS permits JAX Op to terminate such agreement under circumstances set forth therein, in exchange for a fee. On August 3, 2017, JAX Op entered into a termination agreement with BKAS (the Black Knight Termination Agreement). Pursuant to the Black Knight Termination Agreement, the parties thereto have agreed that, effective as of and conditioned upon the Closing, the Consulting Agreement will terminate in exchange for a termination fee of $2,090,384 to be paid by JAX Op to BKAS, calculated pursuant to the terms of the Consulting Agreement, together with the payment of any fees or expenses accrued as of such date. Upon termination of the Consulting Agreement, the currently outstanding 1,500,024 profits interest units held by BKAS vest in full, in accordance with the terms of the profits interest units grant agreement, and may be exchanged for Class A Common Stock within 90 days following the Closing date, or if not exchanged, will be cancelled and forfeited. The Company s indemnification obligations to BKAS and its related parties for losses relating to or arising under the services provided under the Consulting Agreement survive its termination.

FNF Waiver Agreement (page 104)

The Company and FNF will enter into the FNF Waiver Agreement, pursuant to which FNF will (A) waive all covenants and other provisions of that certain Tax Matters Agreement between FNF and the Company, dated September 16, 2015 (the Tax Matters Agreement), that would prohibit or in any way purport to restrict the consummation of the Transactions in accordance with the terms of the Merger Agreement and (B) waive, on behalf of itself and the applicable indemnified parties in that certain Separation and Distribution Agreement between FNF and the Company, dated September 16, 2015 (the Separation and Distribution Agreement) and the Tax Matters Agreement, the right of FNF and any such applicable indemnified party to seek indemnification from or make claims against the Company under the Separation and Distribution Agreement or the Tax Matters Agreement arising out of any liability incurred or loss suffered by FNF or any such applicable indemnified party relating to, arising out of or resulting from the Transactions.

Transition Services Agreement (page 105)

JAX Op will enter into a transition services agreement (the Transition Services Agreement) with FNH and ABRH, LLC (ABRH) pursuant to which FNH and ABRH will agree to provide certain transition and support services to JAX Op, 99 Restaurants and their respective subsidiaries for specified time periods to be agreed upon by the parties. These services will be intended to ensure continuous operation of the 99 Restaurants locations until they can be fully integrated into the Company s operations. The Company expects to pay a monthly fee for transition services for a period of six to twelve months after the Closing. The fee will initially be approximately $500,000 per month and will be subject to reduction upon transition of various services, which is expected to commence as soon as practicable after Closing.

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SELECTED FINANCIAL DATA FOR THE COMPANY

The following table summarizes consolidated financial information of J. Alexander s Holdings, Inc. Our financial results for the years ended December 28, 2014 and December 29, 2013 as well as the period from October 1, 2012 through December 30, 2012 are the historical results of J. Alexander s Holdings, LLC, including the earnings prior to and up to September 27, 2015. For the period beginning January 2, 2012 through September 30, 2012, our historical results represent those of J. Alexander s Corporation.

	Successor					**Predecessor**	**Successor**	
ollars in thousands, except Per Share ta)	Year ended January 1, 2017(1)	Year ended January 3, 2016(1)	Year Ended December 28, 2014(1)	Year Ended December 29, 2013(1)	October 1, 2012 to December 30, 2012(1)	January 2, 2012 to September 30, 2012(1)	Nine Months Ended October 1, 2017(1) (unaudited)	Nine Mon Ended Octobe 2, 2016(1 (unaudite
atement of Operations Data:								
t Sales	$ 219,582	$ 217,914	$ 202,233	$ 188,223	$ 40,341	$ 116,555	$ 171,917	$ 162,25
preciation and amortization of taurant property and equipment	8,834	8,222	7,652	7,228	1,425	4,117	7,445	6,63
e-opening expenses	1,443	275	681				934	60
ansaction and integration expenses	64	7,181	785	(217)	183	4,537	2,435	6
set impairment charges and restaurant sing costs	3	3	5	2,094			135	
come from continuing operations before ome taxes	9,539	7,339	9,286	7,824	2,725	374	2,086	5,86
ss from discontinued operations	(434)	(429)	(443)	(4,785)	(506)	(1,412)	(334)	(32
t income (loss)	7,043	5,355	8,515	2,901	2,218	(959)	1,994	4,32
lance Sheet Data:								
sh and cash equivalents	6,632	13,424	13,301	18,069	11,127	6,853	8,285	7,51
orking capital (deficit)(2)	(13,331)	(3,574)	(4,102)	1,001	(640)	(1,416)	(11,615)	(9,43
tal assets	163,038	155,836	150,638	150,981	132,749	83,872	163,475	155,04
tal debt	23,307	20,893	22,651	34,520	20,654	17,648	21,007	23,70
tal members / stockholders equity	104,320	98,803	96,889	88,455	91,394	42,508	108,978	100,48
her Financial Data:								
t cash provided by operating activities	16,417	16,010	17,955	15,907	5,656	3,036	12,937	8,20
t cash used in investing activities	(21,016)	(13,986)	(10,693)	(6,126)	(1,159)	(2,608)	(8,921)	(12,39
t cash used in financing activities	(2,193)	(1,901)	(12,030)	(2,839)	(223)	(7,941)	(2,363)	(1,72
pital expenditures	20,777	11,431	10,536	6,610	1,159	2,535	(8,657)	(12,15
r Share Data:								
sic earnings (loss) per share:								
come from continuing operations, net of	$ 0.50	$ 0.39	$ 0.60	$ 0.51	$ 0.18	$ 0.03	$ 0.16	$ 0.3
ss from discontinued operations, net	(0.03)	(0.03)	(0.03)	(0.32)	(0.03)	(0.09)	(0.02)	(0.0

sic earnings (loss) per share	$ 0.48	$ 0.36	$ 0.57	$ 0.19	$ 0.15	$ (0.06)	$ 0.14	$ 0.2
luted earnings (loss) per share:								
come from continuing operations, net of	$ 0.50	$ 0.38	$ 0.60	$ 0.51	$ 0.18	$ 0.03	$ 0.16	$ 0.3
ss from discontinued operations, net	(0.03)	(0.03)	(0.03)	(0.32)	(0.03)	(0.09)	(0.02)	(0.0
luted earnings (loss) per share	$ 0.47	$ 0.36	$ 0.57	$ 0.19	$ 0.15	$ (0.06)	$ 0.13	$ 0.2

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(1) We utilize a 52- or 53-week accounting period which ends on the Sunday closest to December 31, and each quarter typically consists of 13 weeks. The period January 2, 2012 to September 30, 2012 included 39 weeks of operations, and the period October 1, 2012 to December 30, 2012 included 13 weeks of operations. Fiscal years 2016, 2014 and 2013 each included 52 weeks of operations. Fiscal year 2015 included 53 weeks of operations, including 14 weeks in the fourth quarter. The nine month periods ended October 1, 2017 and October 2, 2016 each included 39 weeks of operations.

(2) Defined as total current assets minus total current liabilities.

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SELECTED FINANCIAL DATA FOR 99 RESTAURANTS

The following table presents selected historical consolidated financial data for 99 Restaurants as of and for the fiscal years ended December 25, 2016, December 27, 2015, December 28, 2014, December 29, 2013, and December 30, 2012 and the thirty-six week periods ended September 3, 2017 and September 4, 2016. The consolidated balance sheet data as of December 25, 2016 and December 27, 2015 and the related consolidated income statement data for the fiscal years ended December 25, 2016, December 27, 2015, and December 28, 2014 have been obtained from 99 Restaurants audited consolidated financial statements included elsewhere in this proxy statement. The consolidated income statement data for the fiscal years ended December 29, 2013 and December 30, 2012 and the balance sheet data as of the fiscal years ended December 28, 2014, December 29, 2013, and December 30, 2012 have been derived from 99 Restaurants unaudited consolidated financial statements for such years that do not appear in this proxy statement. The consolidated historical financial data for the thirty-six week periods ended September 3, 2017 and September 4, 2016 have been derived from 99 Restaurants unaudited interim condensed consolidated financial statements included elsewhere in this proxy statement. These financial statements are unaudited, but, in the opinion of the management of 99 Restaurants contain all adjustments necessary to present fairly the financial position and results of operations of 99 Restaurants for the periods indicated.

99 Restaurants historical results are not necessarily indicative of the results 99 Restaurants may achieve in any future period. The information set forth below is not necessarily indicative of future results and should be read together with the other information contained under the section entitled 99 Restaurants Management s Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and related notes included elsewhere in this proxy statement.

99 Restaurants Selected Financial Data Table

(in thousands)	Year ended December 25, 2016(1)	Year ended December 27, 2015(1)	Year ended December 28, 2014(1) (balance sheet unaudited)	Year ended December 29, 2013(1) (unaudited)	Year ended December 30, 2012(1) (unaudited)	Thirty six weeks ended September 3, 2017 (unaudited)	Thirty six weeks ended September 4, 2016 (unaudited)
Income Statement Data:							
Restaurant Sales	$ 303,964	$ 293,313	$ 280,491	$ 273,414	$ 278,366	$ 214,696	$ 214,497
Depreciation of property and equipment	10,625	8,398	8,029	8,072	10,157	8,219	6,895
Pre-opening expenses	788	463	494	304	130	85	715
Integration expenses			334	1,012	1,163		
Asset impairment charges and restaurant closing costs	20	25	254	91	164	26	9
	16,955	16,459	10,548	8,031	6,861	11,319	13,173

Income from continuing operations before income taxes							
(Income) loss from discontinued operations	(2)	10	9	(14)	64		
Net income	16,957	16,449	10,539	8,045	6,797	11,319	13,173
Balance Sheet Data:							
Cash and cash equivalents	3,798	4,663	4,379	4,078	3,230	4,317	3,553
Working capital (deficit)(2)	(11,872)	(11,342)	(11,037)	(11,784)	(11,380)	(7,633)	(7,545)
Total assets	87,820	83,089	78,675	76,669	80,070	81,919	87,144
Total debt							
Net parent investment	52,183	48,043	45,482	43,295	46,628	52,781	55,996

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(1) 99 Restaurants utilizes a 52 or 53-week fiscal year where the last day of the fiscal year is the last Sunday in December. The fiscal years ended December 25, 2016, December 27, 2015, December 28, 2014, and December 29, 2013 were each comprised of 52 weeks and the fiscal year ended December 30, 2012 was comprised of 53 weeks.

(2) Defined as total current assets minus total current liabilities.

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SUMMARY UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION OF THE COMPANY

The following unaudited pro forma condensed consolidated financial information gives effect to the transaction between the Company and 99 Restaurants which is to be accounted for as a reverse acquisition with 99 Restaurants treated as the accounting acquirer. The unaudited pro forma condensed consolidated statement of income data for the year ended January 1, 2017 and the nine months ended October 1, 2017, reflect the Transactions as if they had occurred on January 4, 2016, the beginning of the earliest period presented. The unaudited pro forma condensed consolidated balance sheet data as of October 1, 2017 reflects the Transactions as if they had occurred on October 1, 2017. The pro forma adjustments are based on the information available at the time of the preparation of this proxy statement. See the section entitled *Unaudited Pro Forma Condensed Consolidated Financial Statements* beginning on page 106.

The unaudited pro forma condensed consolidated financial information that follows is presented for informational purposes only and is not intended to represent or be indicative of the consolidated results of operations or financial position that would have been reported had the Transactions been completed as of the dates set forth above, nor is it indicative of the future results or financial position of the combined company. The historical financial information has been adjusted to give pro forma effect to events that are directly attributable to the transaction, factually supportable, and, with respect to the unaudited pro forma condensed consolidated statements of income, expected to have a continuing impact on the combined results. The unaudited pro forma condensed consolidated financial information also does not give effect to the potential impact of current financial conditions, any anticipated synergies, operating efficiencies or cost savings that may result from the Transactions or any integration costs. Furthermore, the unaudited pro forma condensed consolidated statements of operations do not include certain nonrecurring charges and the related tax effects which result directly from the Transactions as described in the notes to the unaudited pro forma condensed combined financial information. The pro forma adjustments are preliminary and based on estimates of the fair value of the assets acquired and liabilities assumed and have been prepared to illustrate the estimated effect of the Transactions. The final determination of the purchase price allocation will be based on the fair values of assets acquired and liabilities assumed as of the date the Transactions close, and could result in a significant change to the unaudited pro forma condensed consolidated financial information, including goodwill.

(In thousands, except Per Share Data)	Year ended January 1, 2017	Period ended October 1, 2017
Statement of Income Data:		
Net Sales	$ 523,546	$ 386,613
Income from continuing operations before taxes	29,063	18,031
Income from continuing operations	25,255	15,677
Balance Sheet Data:		
Cash and cash equivalents		10,512
Working capital (deficit)(1)		(21,338)
Total assets		279,073
Total debt		41,007
Per Share Data:		
Weighted average of common stock outstanding:		
Basic	14,821	14,695

Diluted		31,113		31,065
Income from continuing operations available to common shareholders per share:				
Basic	$	0.67	$	0.42
Diluted	$	0.81	$	0.50

(1) Defined as total current assets minus total current liabilities.

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RISK FACTORS

You should carefully consider each of the following risks and all of the other information contained or incorporated by reference in this proxy statement, including the matters addressed in the section entitled Cautionary Statement on Forward-Looking Statements on page 40, before deciding how to vote your shares of Current Common Stock at the Special Meeting. We have also disclosed a number of material risks facing the Company under Item 1.A of our Annual Report on Form 10-K for the year ended January 1, 2017, which is incorporated herein by reference. If any of the risks described below or in the documents incorporated by reference into this proxy statement actually materialize, the business, financial condition, results of operations, prospects or stock price of the Company could be materially and adversely affected.

The risks described below are not the only risks that we will face following the completion of the Transactions. Additional risks and uncertainties not currently known to us may also materially and adversely affect our business operations and financial condition or the price of our Class A Common Stock following completion of the Transactions.

Certain Company directors and executive officers have interests in the Transactions that are different from, or in addition to, those of the Company s shareholders, generally.

Certain Company directors and executive officers have interests in the Transactions that are different from, or in addition to, those of the Company s shareholders, generally. These interests include:

Ownership Interests in Parties to Transactions. Certain of our directors and executive officers hold direct or indirect ownership interests in counterparties to the Transactions, including FNF, FNFV, FNH and BKAS. As a result, these directors and executive officers may receive certain economic benefits from the transaction that will be different from, or in addition to, the benefits that are expected to inure to the Company s shareholders, generally, as a result of the Transactions.

Positions of Management within Parties to Transaction. Certain of our directors and executive officers hold or previously held positions within the management teams of counterparties to the Transactions or related parties, including FNF, FNFV, FNH and BKAS, including as board members or management executives, and as a result of such positions, receive compensation payments related to the performance of those counterparties, which may include compensation payments made in connection with the Transactions. We are not aware of any specific payments to which any such persons may be entitled.

Treatment of Company Equity Awards. Each of our directors and executive officers has in the past been granted stock options under our Stock Plan. Because the Transactions will constitute a change in control of the Company under the Stock Plan, outstanding stock options that remain subject to vesting will vest in connection with the Transactions and thereafter become exercisable. No cash payments will be made as a result of the vesting of previously unvested options.

Contractual Change in Control Benefits. In addition to the vesting of their stock options, certain of our executive officers are parties to employment agreements that would provide them with certain severance payments in the event such executive officer s employment was terminated without cause or for good reason within a certain period of time following a change in control as defined in the agreements.

Indemnification and Insurance. The Company s directors and executive officers are entitled to indemnification and insurance coverage pursuant to indemnification agreements with the Company, applicable provisions of the Charter and the Company s bylaws and a directors and officers liability insurance policy purchased by the Company.

Other Material Relationships. In addition to the foregoing, certain of our directors and executive officers may have, or have had in the past, other business, personal or financial relationships with persons affiliated with counterparties to the Transactions, including FNF, FNFV, FNH and BKAS.

These interests may cause the Company s directors and executive officers to view the proposed Transactions differently and more favorably than Company shareholders generally may view them. For more information and

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a detailed discussion of the foregoing interests, see *The Transactions Interests of Certain Company Directors and Executive Officers* beginning on page 74 of this proxy statement.

Competition may adversely affect the operations and financial results of 99 Restaurants.

The restaurant business is highly competitive as to price, service, restaurant location, nutritional and dietary trends and food quality and is often affected by changes in consumer tastes, economic conditions, population and traffic patterns. 99 Restaurants competes within its market with locally-owned restaurants as well as national and regional restaurant chains, some of which operate more restaurants and have greater financial resources and locations with longer operating histories than that of 99 Restaurants. The casual dining segment of the restaurant industry has not seen significant growth in customer traffic in recent years. If this trend continues, the ability of 99 Restaurants to grow customer traffic at its restaurants will depend on its ability to increase its market share within the casual dining segment, particularly within the Northeastern geographic area of the United States in which 99 Restaurants operates. 99 Restaurants also faces competition from local and regional sports bars, national casual dining and quick casual establishments, the convergence in grocery, deli and restaurant services, mobile food vendors; and meal kit and food delivery providers. The increased variety of fresh and local product offerings at these competitors at a price point similar to or lower than that of 99 Restaurants may lead consumers to choose these alternatives. 99 Restaurants competes primarily on the quality, variety and value perception of menu items, as well as the quality and efficiency of service, the attractiveness of facilities and the effectiveness of advertising and marketing programs. 99 Restaurants also faces competition from the introduction of new products and menu items by competitors, as well as substantial price discounting among their menu offerings. Although 99 Restaurants may implement a number of new business strategies, the success of new products, initiatives and overall strategies is highly difficult to predict. Difficulties in the ability of 99 Restaurants to compete with other restaurants and retail businesses for desirable development sites, construction contractors, management personnel, hourly employees and other resources could adversely affect its results of operations. If 99 Restaurants is unable to compete effectively, it may lose guest traffic and its gross sales and profitability may decline, which may have a material negative impact on our overall financial performance.

Our business may be adversely affected by certain operational risks related to 99 Restaurants following the Closing.

99 Restaurants conducts its restaurant operations in the Northeastern geographic area of the United States and is heavily dependent upon guests in that region. While the Company s combined restaurant operations will be more geographically diverse than prior to the Closing, the operations of 99 Restaurants will still be limited geographically, which means we may be subject to greater risks than a standalone company that is geographically or otherwise more diversified.

Additional risks to which we have a greater degree of exposure following the Closing include the following:

- local economic and competitive conditions in the Northeastern area of the United States in which 99 Restaurants operates;

- inaccessibility due to weather conditions, road construction or closure of primary access routes;

- changes in local and state governmental laws and regulations;

- natural and other disasters; and

- a decline in the number of residents in or near, or visitors to, our operations.

Any of the factors outlined above could adversely affect our ability to generate cash flow at levels historically realized and such result could negatively impact our ability to make payments on our outstanding indebtedness.

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Exposure to the claims and litigation-related liabilities and risks of 99 Restaurants could have an adverse impact on our business and our financial performance.

99 Restaurants is a defendant from time to time in various claims or legal proceedings arising in the ordinary course of its business, including claims relating to injury or wrongful death under dram shop laws, labor-related claims, workers compensation matters, discrimination and similar matters, claims resulting from slip and fall accidents, claims relating to lease and contractual obligations, federal and state tax matters and claims from guests or employees alleging illness, injury or other food quality, health or operational concerns. 99 Restaurants does not believe that any of the legal proceedings pending against it as of the date of this proxy statement will have a material adverse effect on its liquidity or financial condition. 99 Restaurants may incur liabilities, receive benefits, settle disputes, sustain judgments or accrue expenses relating to legal proceedings in a particular fiscal year which may adversely affect its results of operations, or on occasion, receive settlements that favorably affect 99 Restaurants results of operations.

After the Closing, the Company may be exposed to different or greater risks because of differences in state and local laws and regulations in, and risks particular to, the Northeastern geographic area of the United States in which 99 Restaurants operates. Claims can involve significant management time and attention and distract management from its other responsibilities. Significant legal fees and costs in complex class action litigation or an adverse judgment or settlement that is not insured or is in excess of our insurance coverage could have an adverse effect on our financial position and results of operations. Adverse publicity resulting from such claims may also negatively impact revenues at our existing restaurant locations and/or the 99 Restaurants locations.

Higher minimum wage laws in states in which 99 Restaurants operates may have a material adverse effect on our business and financial results.

Wages for our employees and the employees of 99 Restaurants are subject to various minimum wage requirements under federal and state law. Many of the 99 Restaurants locations are in states where the minimum wage is higher than the minimum wage in the states where our current restaurants are located. These minimum wage differences and the potential for further increases in the minimum wage in certain states may affect our earnings and may cause us to raise our menu prices following the Closing which, in turn, could have a material adverse effect on our business, financial condition, results of operations or cash flows.

We may fail to complete the Transactions if certain required conditions (including the approval of the Transactions by the Company s disinterested shareholders), many of which are outside of our control, are not satisfied.

Completion of the Transactions is subject to various customary closing conditions, including, but not limited to, the approval of the Transactions by the Company s disinterested shareholders and the approval by the Company s shareholders of each of Proposals 1, 3a, 3b and 4, the absence of legal orders prohibiting the consummation of the Transactions, the absence of conditions or circumstances constituting a material adverse effect with respect to the business of 99 Restaurants, the accuracy of the representations and warranties of the parties, the parties performance and compliance in all material respects with the agreements and covenants contained in the Merger Agreement and the parties attainment of certain third-party consents.

Despite our best efforts, we may not be able to satisfy or timely obtain the various closing conditions, and such failure or delay in completing the Transactions may cause uncertainty or other negative consequences that may materially and adversely affect our performance, financial condition, results of operations, share price and the perceived acquisition value.

Failure to complete the Transactions could adversely affect our business.

If the conditions to completion of the Transactions are not met, or if the Transactions are not completed for any other reason, we will be subject to several risks, including, (a) the price of Current Common Stock may decline if

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the Transactions are not completed, to the extent our current stock price reflects a market assumption that the Transactions will occur, (b) we will remain liable for significant transaction costs that would be payable even if the Transactions are not completed, (c) a failed transaction may result in negative publicity and a negative impression of us in the investment community, and (d) our business may have been adversely impacted by the failure to pursue other beneficial opportunities due to the focus of management on the Transactions. For these and other reasons, failure to consummate the Transactions could adversely impact our business, financial condition, results of operations, and share price.

There might be difficulties in integrating 99 Restaurants business and operations into our business and operations, and the integration process will place an additional burden on our management and internal resources.

We contemplate that the Transactions will be accretive to the Company s earnings and result in increased earnings and cash flows for us following the integration of 99 Restaurants into our business. This expectation is based on presumed synergies from consolidation and assumptions based on the projected future performance of the 99 Restaurants business. These anticipated benefits will depend in part on whether 99 Restaurants operations can be integrated in an efficient and effective manner into our operations, and whether the expected bases or sources of synergies produce the benefits anticipated. Many operational and strategic decisions with respect to 99 Restaurants following its acquisition by us have not been made and may not have been fully identified. These decisions may present significant challenges to management, including the integration of systems and personnel of the two companies, and special risks, including possible unanticipated liabilities, significant one-time write-offs or restructuring charges, unanticipated costs and the loss of key employees. Additionally, we will rely in part upon services provided by ABRH and FNH under the Transition Services Agreement for a period of six-to-twelve months following the Closing to support many of our integration activities. If the parties are unable to complete the transition within that time frame, the Transition Services Agreement may be renewed for additional periods. There can be no assurance that those parties will continue to perform those services at a level satisfactory to us or that such services may not be required for a longer period of time or at a higher cost than anticipated by our management.

In addition, successful integration of the Company s and 99 Restaurants operations and personnel will place an additional burden on our management and our internal resources. The additional burden could lead to significant diversion of management attention, which could lead to a decline in the Company s future operating results and thereby negatively impact its share price.

It is possible that the anticipated benefits and synergies from the proposed Transactions cannot be fully realized, may take longer to realize than expected, or may not be realized at all.

While we believe that our expectations regarding the achievement of synergies and other benefits of the Transactions are reasonable, there can be no assurance that the integration of 99 Restaurants assets, operations, vendors, management team and culture into ours will be timely or effectively accomplished, and accordingly the anticipated synergies and benefits of the Transactions may not be realized on the timeframe expected, or at all. It is possible that the integration process could result in the loss of key employees, the disruption of each company s ongoing businesses and inconsistencies in standards, controls, procedures and policies that could adversely affect the Company s ability to maintain relationships with guests, all of which would negatively impact our financial condition, results of operations and cash flows, thereby minimizing or eliminating any anticipated synergies. Further, 99 Restaurants has not historically been operated on a stand-alone basis and, accordingly, there can be no assurance that our assumptions regarding possible synergies are correct.

We have and will continue to incur substantial transaction-related costs in connection with the Transactions.

We have incurred, and expect to continue to incur, a number of non-recurring transaction-related costs in initiating and completing the Transactions, integrating the operations of 99 Restaurants and achieving desired

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synergies. These fees and costs have been, and will continue to be, substantial. Non-recurring transaction costs include, but are not limited to, fees paid to investment bankers, legal and accounting advisors, filing fees and printing costs, public relations costs and transition costs, such as information technology and other back-office transition costs. Additional unanticipated costs may be incurred in the integration process. These costs may be higher than expected and could have a material adverse effect on our financial condition, operating results or value.

Change-of-control provisions in 99 Restaurants agreements triggered in connection with the acquisition of 99 Restaurants by the Company may lead to adverse consequences.

99 Restaurants may be a party to agreements that contain change-of-control or similar provisions that may be triggered in connection with the Transactions. The realization of these change-of-control or similar provisions, if triggered, could result in unanticipated expenses and/or the loss of certain vendors or other business relations (including landlords). If 99 Restaurants and the Company are unable to negotiate waivers of or consents under such provisions, the counterparties may exercise their rights and remedies under the agreements, potentially terminating the agreements or seeking monetary damages. Even if 99 Restaurants and the Company are able to negotiate waivers or obtain consents, the counterparties may require a fee for such waivers or seek to renegotiate the agreements on terms less favorable to 99 Restaurants. Any of the foregoing or similar developments may have an adverse impact on the Company s business and results of operations.

Failure to retain key employees could diminish the benefits of the Transactions.

The successful acquisition of 99 Restaurants will depend in part on the retention of key personnel at 99 Restaurants, including senior management. There can be no assurances that the Company will be able to retain 99 Restaurants key personnel. In addition, no assurance can be given that, after the Transactions, the Company and the surviving entity will be able to attract or retain key management personnel and other key employees to the same extent that the Company and 99 Restaurants have been previously able to attract or retain their own employees.

99 Restaurants does not have an operating history as an independent company and the historical financial information for 99 Restaurants derived from FNH s financial results may not be a reliable indicator of 99 Restaurants historical or future results of operations, financial condition or cash flows.

The historical financial information for 99 Restaurants included in this proxy statement has been derived from FNH s consolidated financial statements and does not necessarily reflect what 99 Restaurants financial condition, results of operations and cash flows would have been as a separate, stand-alone entity during the periods presented. FNH did not account for 99 Restaurants, and 99 Restaurants was not operated, as an independent stand-alone entity for the periods presented. Accordingly, the historical results of operations, financial condition and cash flows of 99 Restaurants contained in this proxy statement may not be indicative of what they would have been had 99 Restaurants actually been an independent stand-alone entity, nor are they necessarily indicative of 99 Restaurants future results of operations, financial condition or cash flows.

The unaudited pro forma condensed consolidated financial statements, which we refer to as the pro forma financial statements, are presented for illustrative purposes only and may not be a reliable indicator of the Company s financial condition or results of operations following the Transactions.

The pro forma financial statements contained in this proxy statement are presented for illustrative purposes only and may not be a reliable indicator of the combined company s financial condition or results of operations following the completion of the Transactions for several reasons. For example, the pro forma financial statements have been derived from the historical financial statements of the Company and 99 Restaurants (which, as discussed above, were derived from FNH s consolidated financial statements), and certain adjustments and assumptions have been made regarding the combined company after giving effect to the Transactions. The

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information upon which these adjustments and assumptions have been made is preliminary, and such adjustments and assumptions are difficult to make with complete accuracy.

Moreover, the pro forma financial statements do not reflect all costs that are expected to be incurred by the Company or 99 Restaurants in connection with the Transactions. For example, the impact of any incremental costs incurred in integrating the companies is not reflected in the pro forma financial statements. As a result, the actual financial condition and results of operations of the Company following the completion of the Transactions may differ significantly from the pro forma financial statements. In addition, the assumptions used in preparing the pro forma financial statements may not prove to be accurate, and other factors may affect the Company s financial condition or results of operations following the completion of the Transactions. For example, under the terms of the Transition Services Agreement, as described in this proxy statement, for a period of time the Company will be dependent on FNH and ABRH for services including without limitation information technology, accounting and benefits support. Any failure of FNH or ABRH to perform their respective obligations under the Transition Services Agreement could adversely affect the Company s future financial condition or results of operations. See the section of this proxy statement entitled *Unaudited Pro Forma Condensed Consolidated Financial Statements* beginning on page 106.

The Merger Agreement subjects the Company and 99 Restaurants to restrictions on their respective business activities prior to completion of the Transactions.

The Merger Agreement subjects the Company and 99 Restaurants to restrictions on their respective business activities and obligates the Company and 99 Restaurants to generally operate their respective businesses in the ordinary course consistent with past practice prior to completion of the Transactions. These restrictions could prevent the Company and 99 Restaurants from pursuing attractive business opportunities that arise prior to the completion of the Transactions and are outside the ordinary course of business, or otherwise have an adverse effect on the Company s or 99 Restaurants results of operations, cash flows and financial condition.

The Transactions are subject to claims and litigation, which could delay the Transactions and prevent the Transactions from being completed and cause the Company to expend funds to defend or settle litigation.

On December 8, 2017, Margie Elstein, a purported shareholder of the Company, filed a putative class action lawsuit in the Tennessee Chancery Court for Davidson County, 20th Judicial District (the Elstein Action), against the Company, members of the Board, FNH, FNFV and FNF. See *The Transactions Litigation Related to the Transactions* on page 84 of this proxy statement for additional information on the Elstein Action. In addition, the Company, the Sellers, 99 Restaurants and their affiliates may in the future be party to other legal proceedings and claims related to the Transactions. Legal challenges to the Transactions, such as the Elstein Action, could result in an injunction, preventing or delaying the completion of the Transactions, and could cause the Company to expend funds to defend or settle such legal challenges.

The Merger Agreement limits the ability of the Company to pursue alternatives to the Transactions and may discourage other companies from trying to acquire the Company prior to completion of the Transactions.

The Merger Agreement contains provisions that make it more difficult for the Company to pursue alternatives to the Transactions and limit the ability of the Company to terminate the Merger Agreement prior to completion of the Transactions. These provisions include a general prohibition on the Company from soliciting alternatives to the Transactions and, subject to certain exceptions, entering into discussions relating to an alternative to the Transactions. The Merger Agreement also contains provisions that make it more difficult for the Board to change, withhold, withdraw, qualify or modify its recommendation that Company shareholders approve the Merger Agreement. Subject to certain rights of 99 Restaurants to match the terms of proposed alternative transactions, the Board may change, withhold, withdraw, qualify or modify its recommendation only if the Board determines in good faith that the failure to change, withhold, withdraw, qualify or modify its recommendations would be inconsistent with its fiduciary duties under applicable law.

In certain cases, including upon termination of the Merger Agreement following a change, withholding, withdrawal, qualification or modification of the recommendation of the Board, the Company will be required to pay to 99 Restaurants a termination fee of $4.0 million.

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See *The Merger Agreement Termination of the Merger Agreement; Termination Fee and Expense Reimbursement* beginning on page 97 of this proxy statement.

If the Merger Agreement is terminated and the Company determines to seek another business combination or other transaction, the Company may not be able to negotiate a transaction with another party on terms comparable to, or better than, the terms of the Transactions. In certain circumstances, a termination fee of $4.0 million may be payable by the Company if the Merger Agreement is terminated and the Company enters into a definitive agreement with respect to an alternative proposal.

The debt that the Company will assume in connection with the Transactions could adversely affect the Company s business, financial condition and results of operations.

The Company intends to incur $20 million of net debt in connection with the Transactions, which the Company intends to promptly repay and refinance following the Closing with the proceeds from increased borrowings pursuant to an amendment to its existing credit facility. The Company expects to be able to meet the estimated principal and interest payments on its debt following the consummation of the Transactions through a combination of cash on hand and future cash flows from operations. Additionally, the Company may incur further indebtedness in the future for other corporate purposes.

The potential significant negative consequences on the Company s business, financial condition and results of operation that could result from its debt following the completion of the Transactions include:

- limitations on the Company s ability to obtain additional debt or equity financing for working capital, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes;

- instances in which the Company is unable to meet the financial covenants contained in its debt agreements or to generate cash sufficient to make required debt payments, which circumstances would have the potential of accelerating the maturity of some or all of the Company s outstanding indebtedness;

- the allocation of a substantial portion of the Company s cash flow from operations to service the Company s debt, thus reducing the amount of the Company s cash flow available for other purposes, including operating costs and capital expenditures, that could improve the Company s competitive position, results of operations or share price;

- requiring the Company to sell debt or equity securities or to sell some of its core assets, possibly on unfavorable terms, to meet payment obligations;

- exposing the Company to the risk of increased interest rates, as all of its current borrowings are at variable rates of interest;

compromising the Company s flexibility to plan for, or react to, competitive challenges in its business and limit the Company s ability to adjust to changing market conditions; and

limitations on the Company s ability to execute business development and acquisition activities to support its strategies.

The fairness opinion rendered to the Board by Stephens was based on the financial analyses performed by Stephens, which considered factors such as market and other conditions then in effect, and financial forecasts and other information made available to Stephens, as of the date of its opinion. As a result, this opinion does not reflect changes in events or circumstances after the date of this opinion. The Company has not obtained, and does not expect to obtain, an updated fairness opinion from Stephens reflecting changes in circumstances that may have occurred since the signing of the Merger Agreement.

The fairness opinion rendered to the Board by Stephens was provided in connection with, and at the time of, the Board s evaluation of the Merger Agreement and the Transactions. This opinion was based on the financial analyses performed by Stephens, which considered market and other conditions then in effect, and financial forecasts and other information made available to it, as of the date of its opinion, which may have changed, or may change, after the date of the opinion. The Company has not obtained an updated opinion as of the date of this proxy statement from Stephens, and it does not expect to obtain an updated opinion prior to the completion of the Transactions. Changes in the operations and prospects of the Company or 99 Restaurants, general market and economic conditions and other factors which may be beyond the control of the Company and 99 Restaurants, and on which the fairness opinion was based, may have altered the value of the Company or 99 Restaurants or the prices of Current Common Stock or the membership interest of 99 Restaurants since the date of the opinion, or may alter the values and prices by the time the Transactions are completed. The opinion does not speak as of any date other than the date of the opinion. For a description of the opinion that the Board received from Stephens, please refer to *The Transactions Opinion of Stephens Inc.* beginning on page 66 of this proxy statement.

Amending the Company s Charter to remove the applicability of the Tennessee Control Share Acquisition Act may result in the Company being more susceptible to third-party takeovers.

The Tennessee Control Share Acquisition Act generally provides that control shares of a Tennessee corporation acquired in a control share acquisition have no voting rights, except to the extent approved by a vote of a majority of all shares entitled to vote generally with respect to the election of directors (other than shares owned by the acquirer, by officers of the corporation and by directors of the corporation who are also employees of the Corporation, which are not entitled to vote on the matter). The Tennessee Control Share Acquisition Act only applies if a corporation s charter or bylaws contains an opt-in provision. Removing such an opt-in provision will allow for control shares acquired in a control share acquisition to have voting rights, thus potentially rendering the Company more susceptible to unsolicited takeover bids from third parties after such third parties acquire control shares of the Company. If amended to remove the applicability of the Tennessee Control Share Acquisition Act, our Charter will no longer provide such a deterrent against unsolicited takeover attempts. In particular, if an unsolicited third-party acquired control shares of the Company, those control shares could be used to take over control of the Company through the voting rights ascribed to such shares. Further, after the CSAA Amendment is approved, if the Sellers acquire additional shares of Company Class A Common Stock after the Closing, such shares will have full voting rights, which would increase the level of influence the Sellers may exercise on the Company.

We will issue a large number of shares of our Class B Common Stock and JAX Op will issue Class B Units in connection with the Transactions, which will result in substantial dilution to percentage ownership of the holders of our Current Common Stock. In addition, after the Company registers the resale of the Company s Class A Common Stock issuable upon exchange of the Class B Units (and the cancellation of a corresponding number of shares of Class B Common Stock), with the Commission, or if the Sellers elect to resell their shares of Class A Common Stock pursuant to an exemption from registration under the Securities Act, the Sellers may elect to sell shares of the Company s Class A Common Stock on the open market or transfer shares to persons that in turn may sell them on the open market, which may have an adverse effect on the market price of the Company s Class A Common Stock.

The issuance of the Class B Units and shares of Class B Common Stock will result in substantial dilution of the ownership interests of our existing shareholders (although such ownership will be of a larger company). Because a substantial portion of the purchase price could be classified as goodwill and other intangible assets, the tangible net book value per share of our common stock may be materially lower after the completion of the Transactions. In addition, the Company has agreed to prepare and file with the Commission a Registration Statement on Form S-3 registering the resale of any shares of the Company s Class A Common Stock issued, at its election, upon exchange of the Class B Units (and the cancellation of a corresponding number of shares of Class B Common Stock) with the Commission. After such shares of the Company s Class A Common Stock have been registered for resale, or if such resales are made pursuant to an exemption from registration under the Securities Act, the Sellers may elect to sell shares of the Company s Class A Common Stock in the open market or transfer shares to

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persons that may then sell such shares in the open market. If the Sellers choose to sell shares of the Company s Class A Common Stock or the market perceives that such sales could occur (see *Ancillary Agreements Registration Rights Agreement*), it could have an adverse effect on the market price of the Company s Class A Common Stock. In addition, the Authorized Shares Amendment will authorize shares in excess of the number of shares necessary to complete the transactions. While having many authorized but unissued shares available for future issuances is common among public companies, the issuance of such authorized shares in the future would cause dilution to our shareholders. See the section of this proxy statement entitled *The Transactions Federal Securities Law Consequences; Resale Restrictions* beginning on page 84.

The Sellers will own a large percentage of the Company s capital stock after the completion of the Transactions and will have significant influence over the outcome of corporate actions requiring shareholder approval. In addition, such shareholders priorities for the Company s business may be different from the Company s current shareholders.

Following the Merger, and after giving effect to the Charter Amendments, the issuance of Class B Common Stock and the Reclassification of Current Common Stock as Class A Common Stock, the Class A Common Stock will represent approximately 47.5% of the outstanding shares of capital stock (and voting power) of the Company and the Class B Common Stock held by the Sellers will represent approximately 52.5% of the outstanding shares of capital stock (and voting power) of the Company, in each case based on the number of shares of Current Common Stock outstanding as of December 19, 2017.

In addition, persons associated with the Sellers currently serve on our Board and one additional person associated with the Sellers will be added to our Board following the Transactions. Accordingly, the Sellers will be able to influence the outcome of any corporate transaction or other matter submitted to the Company shareholders for approval, including the election of directors, any mergers, consolidation or sale of all or substantially all of the Company s assets or any other significant corporation transaction. As long as their ownership and voting power exceeds 50%, they will be able to control the outcome of shareholder votes that require a majority of votes in order to pass.

Following the Transactions, the interests of the Sellers and their associated persons may not always coincide with the interests of our other shareholders, and the concentration of control by the Sellers will limit other shareholders ability to influence corporate matters. The concentration of ownership and voting power of the Sellers may also delay, defer or even prevent an acquisition by a third party or other change of control of our Company and may make some transactions more difficult or impossible without their support. Therefore, the concentration of voting power controlled by the Sellers may have an adverse effect on the price of our Class A Common Stock. We may also take actions that our other shareholders do not view as beneficial.

Further, the Sellers may have an interest in pursuing acquisitions, divestitures, financing or other transactions, including, but not limited to, the issuance of additional debt or equity and the declaration and payment of dividends, that, in the Sellers judgment, could enhance their equity investments, even though such transactions may involve risk to us or to our creditors. Additionally, the Sellers may have or make investments in businesses that directly or indirectly compete with us, or may pursue acquisition opportunities that may be complementary to our business through other companies and, as a result, those acquisition opportunities may not be available to us.

The number of shares of the Company s Class B Common Stock and Class B Units of JAX Op to be issued in connection with the Transactions is not adjustable based on the market price of current Common Stock and, as a result, the Merger Consideration at Closing may have a greater or lesser implied value than at the time the Merger

Agreement was signed.

The parties to the Merger Agreement determined the number of shares of the Company s Class B Common Stock and Class B Units of JAX Op to be issued to the Sellers in connection with the Transactions. This number is not

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adjustable based on changes in the market price of the Common Stock. Changes to the market price of Current Common Stock will not affect the number of shares that the Sellers will be entitled to receive pursuant to the Merger Agreement. Therefore, if the market price of Current Common Stock declines from the market price on the date the Merger Agreement was signed and before the Transactions are consummated, the Sellers would receive Merger Consideration with less implied value. Conversely, if the market price of the Common Stock increases from the market price on the date the Merger Agreement was signed and before the Transactions are consummated, the Sellers could receive Merger Consideration with more implied value. Since the number of shares of the Company s Class B Common Stock and Class B Units of JAX Op to be issued in the Transactions is not adjusted based on changes in the Current Common Stock price, rises or declines in the market value of Current Common Stock will result in a corresponding rise or decline in the value of the equity Merger Consideration issued to the Sellers.

We are a holding company and our only material asset is our interest in JAX Op, and, accordingly, we are dependent upon distributions from JAX Op to pay taxes and other expenses. The Transactions will dilute our economic interest in JAX Op, and any increase in total revenue, income and cash flows of JAX Op as a result of the Transactions may not outweigh such dilution and will limit the ability of our public shareholders to participate in or realize the success of our subsidiaries.

We are a holding company and have no material assets other than our ownership of Class A Units of JAX Op. We have no independent means of generating revenue. JAX Op is treated as a partnership for U.S. federal income tax purposes and, as such, is not itself subject to U.S. federal income tax. Instead, its net taxable income is generally allocated to its members, including us, according to the membership interests each member owns. Accordingly, we incur income taxes on our proportionate share of any net taxable income of JAX Op and also incur expenses related to our operations. We cause JAX Op to distribute cash to its members, including us (and following the Transactions, including the Sellers), by applying an assumed tax rate with respect to their allocable share of the net income of JAX Op and to cover dividends, if any, declared by us. Any distribution made to a member in respect of its tax obligations is treated as an advance against any future distributions to be made to such member. To the extent that we need funds to pay our tax or other liabilities or to fund our operations, and JAX Op is restricted from making distributions to us under applicable agreements, laws or regulations or does not have sufficient cash to make these distributions, we may have to borrow funds to meet these obligations and operate our business, and our liquidity and financial condition could be materially adversely affected.

As a result of the structure of the Transactions and the issuance of Class B Units of JAX Op to the Sellers, our and our public shareholders economic interest in JAX Op and its subsidiaries will be substantially diluted. It is possible that any increase in total revenue, income and cash flows of JAX Op as a result of the addition of 99 Restaurants to JAX Op may not outweigh the substantial dilution to our public shareholders and will limit the ability of our public shareholders to participate in or realize the success of our restaurant concepts.

If JAX Op makes cash payments for future exchanges of Units, in lieu of the Company issuing shares of Class A Common Stock, such payments may reduce the amount of overall cash flow that would otherwise be available to us.

Each outstanding Class B Unit, together with one share of Class B Common Stock, is exchangeable for a cash payment from JAX Op or, at our option, for Class A Common Stock. If Class B Units are exchanged for cash payments, such payments may require the payment of significant amounts of cash and may reduce the amount of overall cash flow that would otherwise be available for distribution to us from JAX Op, and our ability to successfully execute our growth strategy may be negatively affected.

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CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

In connection with the safe harbor established under the Private Securities Litigation Reform Act of 1995, the Company cautions that certain information contained or incorporated by reference in this report and our other filings with the Commission, in its press releases and in statements made by or with the approval of authorized personnel is forward-looking information that involves risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by the forward-looking statements contained herein. Forward-looking statements discuss the Company s current expectations and projections relating to our financial conditions, results of operations, plans, objectives, future performance and business. Forward-looking statements are typically identified by words or phrases such as may, will, would, can, should, likely, anticipate, potential, estimate, pro f expect, project, intend, seek, plan, believe, target, outlook, forecast, the negatives thereof and other similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events. Forward-looking statements include all statements that do not relate solely to historical or current facts, including statements regarding the Company s expectations, intentions or strategies and regarding the future. The Company disclaims any intent or obligation to update these forward-looking statements.

Important factors that could cause actual results to differ materially from those expressed or implied by the forward-looking statements include, among other things:

- the fact that certain directors and executive officers of the Company and 99 Restaurants may have interests in the Transactions that are different from, or in addition to, the interests of the Company s shareholders generally;

- the fact that competition may adversely affect the operations and financial results of 99 Restaurants;

- the fact that our business may be adversely affected by certain operational risks related to 99 Restaurants following the Merger;

- the fact that assumption of the claims and litigation-related liabilities and risks of 99 Restaurants could have an adverse impact on our business and our financial performance;

- the fact that higher minimum wage laws in states in which 99 Restaurants operates may have a material adverse effect on our business and financial results; uncertainties as to whether the requisite approvals of the Company s shareholders (including the approval of the Transactions by the Company s disinterested shareholders) will be obtained;

- the risk that the failure to complete the Transactions could adversely impact the Company s business;

the possibility that various closing conditions for the Transactions may not be satisfied or waived;

the risks of integration of the business of 99 Restaurants and the possibility that costs or difficulties related to such integration of the business of 99 Restaurants with the Company will be greater than expected;

the possibility that the anticipated benefits and synergies from the proposed Transactions cannot be fully realized or may take longer to realize than expected;

the fact that we have and will continue to incur substantial transaction-related costs in connection with the Transactions;

the risk that change-of-control provisions in 99 Restaurants agreements triggered in connection with the acquisition of 99 Restaurants may lead to adverse consequences;

the effects of disruptions to respective business operations of the Company or 99 Restaurants resulting from the Transactions, including the ability of the combined company to retain and hire key personnel and maintain relationships with suppliers and other business partners;

the fact that 99 Restaurants does not have an operating history as an independent stand-alone company and the historical financial information of 99 Restaurants derived from FNH s financial results may not

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be a reliable indicator of 99 Restaurants historical or future results of operations, financial condition or cash flows;

the fact that the unaudited pro forma financial statements presented in this proxy statement may not be a reliable indicator of the Company s results of operations or financial condition;

the fact that the Merger Agreement subjects the Company and 99 Restaurants to restrictions on their respective business activities prior to the completion of the Transactions, which could have an adverse effect on the Company s or 99 Restaurants results of operations, financial condition, or cash flows;

the risk of shareholder litigation in connection with the Transactions and any related significant costs of defense, indemnification and liability;

the possibility that an alternative proposal for the Company will be made;

the occurrence of any event, change or other circumstances that could give rise to the termination of the Merger Agreement, including circumstances that may give rise to the payment of a termination fee by the company;

the risk that the Company may not be able to obtain borrowing pursuant to an amendment of its existing credit facility on favorable terms, or at all, in order to repay the debt assumed in connection with the consummation of the Transactions;

the fact that the fairness opinion rendered by Stephens considered factors as of the date of the opinion and does not reflect changes in events or circumstances after the date of its opinion;

the fact that amending the Charter to remove the applicability of the Tennessee Control Share Acquisition Act may result in the Company being more susceptible to third-party takeovers;

the fact that the issuance of the shares of Class B Common Stock and Class B Units to the Sellers will result in substantial dilution to the holders of Current Common Stock, and the fact that upon an exchange of such Class B Units, the Sellers may elect to sell shares of the Company s Class A Common Stock on the open market or transfer shares to persons that in turn may sell them on the open market, which may have an adverse effect on the market price of the Company s Class A Common Stock;

- the fact that the Sellers will own a large percentage of the Company s common stock after completion of the Transactions and will have significant influence over the outcome of corporate actions requiring shareholder approval; and

- the fact that the number of shares of Class B Common Stock and Class B Units to be issued in connection with the Transactions is not adjustable based on the market price of Current Common Stock and, as a result, the Merger Consideration at Closing may have a greater or lesser implied value than at the time the Merger Agreement was signed; and

- the fact that the Transactions will dilute our economic interest in JAX Op, and any increase in total revenue, income and cash flows of JAX Op as a result of the Transactions may not outweigh such dilution.

For a further discussion of these and other risks, contingencies and uncertainties applicable to the Company and 99 Restaurants, see *Risk Factors* beginning on page 30 of this proxy statement.

All forward-looking statements in this proxy statement are qualified in their entirety by this cautionary statement, and no person undertakes any obligation to update publicly any forward-looking statement for any reason, whether as a result of new information, future events or otherwise, except as required by law. Readers are cautioned not to place undue reliance on these forward-looking statements, which only speak as of the date of this proxy statement or, in the case of documents incorporated by reference, the date of those documents.

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SPECIAL MEETING OF THE COMPANY SHAREHOLDERS

General; Date, Time and Place

This proxy statement is being furnished in connection with the solicitation of proxies on behalf of the Board for use at a Special Meeting of the Company shareholders to be held on January 30, 2018, at 2:00 p.m. central time or at any adjournments or postponements thereof. The Special Meeting will be held at Loews Vanderbilt Hotel, 2100 West End Avenue, Nashville, Tennessee 37203. If you need directions to the location of the Special Meeting in order to attend the Special Meeting and vote in person, please contact J. Alexander s Holdings, Inc., P.O. Box 24300, Nashville, Tennessee 37202, Attention: Corporate Secretary.

Purpose of Meeting

The Special Meeting is being held to request that shareholders consider and vote upon the following matters:

- a proposal to approve the Merger Agreement;
- a proposal that the Transactions be approved by disinterested shareholders action pursuant to Section 48-18-704 of the TBCA;
- a proposal to approve the Reclassification Amendment;
- a proposal to approve the Authorized Shares Amendment;
- a proposal to approve the CSAA Amendment; and
- a proposal to adjourn the Special Meeting, if necessary or advisable, to solicit additional proxies to approve the other proposals to be submitted for a vote at the Special Meeting.

The Company does not expect a vote to be taken on any other matters at the Special Meeting. If any other matters are properly presented at the Special Meeting for consideration, however, the shareholders or holders of proxies, if properly authorized, will have discretion to vote on these matters in accordance with their best judgment.

Record Date; Voting Information

The Record Date for the Special Meeting is December 19, 2017. If you were a shareholder of record of Current Common Stock at the close of business on the Record Date, you are entitled to notice of, and to vote at, the Special Meeting and any adjournments or postponements thereof. At the close of business on the Record Date, 14,695,176 shares of Current Common Stock were outstanding and entitled to vote. Holders of Current Common Stock are entitled to one vote on each matter submitted to the shareholders for each share of Current Common Stock held as of the Record Date with respect to all proposals other than Proposal 2, for which only holders of Qualified Shares will be entitled to one vote per each Qualified Share held by such holder.

Required Votes

Proposal 1 (Approval of Merger Agreement): The affirmative vote of the holders of a majority of the outstanding shares of Current Common Stock entitled to vote thereon is required to approve Proposal 1. **A shareholder s failure to submit a white proxy card or to vote in person at the Special Meeting, an abstention from voting, or the failure of a shareholder who holds his or her shares in street name through a broker or other nominee to give voting instructions to such broker or other nominee, will have the same effect as a vote AGAINST Proposal 1.**

Proposal 2 (Conflicting Interest Approval): The affirmative vote of a majority of the votes cast by the holders of the outstanding shares of Current Common Stock that constitute Qualified Shares within the meaning of Section 48-18-704 of the TBCA where a quorum (i.e., a majority) of Qualified Shares is present or represented at the Special Meeting is required to approve Proposal 2. We anticipate that approximately 86% of the Current Common Stock will be Qualified Shares for purposes of the vote of disinterested shareholders. **A holder of**

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Qualified Shares failure to submit a white proxy card or to vote in person at the Special Meeting, an abstention from voting, or the failure of a shareholder who holds his or her shares in street name through a broker or other nominee to give voting instructions to such broker or other nominee will have no effect on Proposal 2, assuming that a quorum of Qualified Shares is present or represented at the Special Meeting.

Proposal 3a (Reclassification Amendment): Pursuant to the terms of the Merger Agreement, the affirmative vote of the holders of a majority of the outstanding shares of Current Common Stock entitled to vote thereon is required to approve Proposal 3a. **A shareholder s failure to submit a white proxy card or to vote in person at the Special Meeting, an abstention from voting, or the failure of a shareholder who holds his or her shares in street name through a broker or other nominee to give voting instructions to such broker or other nominee will have the same effect as a vote AGAINST Proposal 3a.**

Proposal 3b (Authorized Shares Amendment): Pursuant to the terms of the Merger Agreement, the affirmative vote of the holders of a majority of the outstanding shares of Current Common Stock entitled to vote thereon is required to approve Proposal 3b. **A shareholder s failure to submit a white proxy card or to vote in person at the Special Meeting, an abstention from voting, or the failure of a shareholder who holds his or her shares in street name through a broker or other nominee to give voting instructions to such broker or other nominee will have the same effect as a vote AGAINST Proposal 3b.**

Proposal 4 (CSAA Amendment): The affirmative vote of the holders of 66 2/3 % of the outstanding shares of Current Common Stock entitled to vote thereon is required to approve Proposal 4. **A shareholder s failure to submit a white proxy card or to vote in person at the Special Meeting, an abstention from voting, or the failure of such shareholder who holds his or her shares in street name through a broker or other nominee to give voting instructions to such broker or other nominee will have the same effect as a vote AGAINST Proposal 4.**

Proposal 5 (Adjournment of the Special Meeting, if Necessary): The votes cast in favor of Proposal 5 must exceed the votes cast against Proposal 5 in order to approve Proposal 5. **A shareholder s failure to submit a white proxy card or to vote in person at the Special Meeting, an abstention from voting, or the failure of such shareholder who holds his or her shares in street name through a broker or other nominee to give voting instructions to such broker or other nominee will have no effect on Proposal 5, assuming a quorum of shares of Current Common Stock is present or represented at the Special Meeting.**

Quorum

Shares entitled to vote at the Special Meeting may be voted on a matter at the Special Meeting only if a quorum of those shares exists with respect to that matter. The presence at the Special Meeting, in person or represented by proxy, of a majority of shares of Current Common Stock issued and outstanding and entitled to vote at the Special Meeting will constitute a quorum for purposes of Proposals 1, 3a, 3b, 4 and 5. The presence at the Special Meeting, in person or represented by proxy, of a majority of the issued and outstanding Qualified Shares will constitute a quorum for purposes of Proposal 2. Abstentions will be counted in determining whether there is a quorum present at the Special Meeting.

Adjournments or Postponement

If a quorum is not present with respect to any matter to be voted upon at the Special Meeting, the chair of the Special Meeting or the shareholders entitled to vote at the Special Meeting, present in person or represented by proxy, have the power to cause the Special Meeting to be adjourned, including for the purpose of soliciting additional proxies, from time to time, without notice other than announcement at the Special Meeting, until a quorum is present or represented by proxy. At an adjourned meeting at which a quorum is present or represented by proxy, any business may be transacted which might have been transacted at the Special Meeting as originally

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notified. It is currently anticipated that if a quorum is not present with respect to any matter to be voted upon at the Special Meeting, the chair of the Special Meeting would adjourn the Special Meeting. Additionally, in Proposal 5, the Company s shareholders are being asked to approve a proposal that would allow the Company to adjourn the Special Meeting if there are insufficient votes to approve any of Proposals 1, 2, 3a, 3b or 4 at the Special Meeting.

Recommendation of the Company s Board of Directors

After due consideration, the Board has (i) determined and declared that the Merger Agreement and the Transactions are advisable, fair to and in the best interests of the Company and its shareholders, (ii) unanimously approved the Merger Agreement and the Transactions, (iii) directed that the Merger Agreement and the Transactions be submitted to Company shareholders for approval and (iv) recommended that the Company shareholders approve the Merger Agreement and the Transactions.

For a description of the factors considered by the Board in making its determinations with respect to the Merger Agreement and the Transactions, see the sections in this proxy statement entitled *The Transactions Recommendation of the Company s Board of Directors and The Transactions The Company s Board of Directors Reasons for Approving the Transactions*.

The Board recommends, subject to the ability of the Board to make a Recommendation Withdrawal (as defined in the Merger Agreement) pursuant to and in accordance with the terms of the Merger Agreement, that Company shareholders vote:

FOR the proposal to approve the Merger Agreement,

FOR the proposal that the Transactions be approved by disinterested shareholders action pursuant to Section 48-18-704 of the TBCA,

FOR the proposal to approve the Reclassification Amendment,

FOR the proposal to approve the Authorized Shares Amendment,

FOR the proposal to approve the CSAA Amendment, and

FOR the proposal to adjourn the Special Meeting, if necessary or advisable, to solicit additional proxies to approve the other proposals to be submitted for a vote at the Special Meeting.

Voting by the Company s Directors and Officers

As of the close of business on the Record Date, the Company s directors and officers and certain of their affiliates held, directly or indirectly, approximately 1,995,378 shares of Current Common Stock entitled to vote at the Special Meeting on all matters other than Proposal 2. 1,627,991 of these shares are held by Newport. This represents approximately 14% in voting power of the outstanding shares of Current Common Stock entitled to be cast at the Special Meeting on all matters other than Proposal 2. Each of the Company s directors and executive officers has indicated his or her present intention to vote, or cause to be voted, the shares of Current Common Stock owned by him or her, or with respect to which such director or executive officer has voting control, to approve each of the proposals to be considered and voted upon at the Special Meeting other than Proposal 2. The Company s directors and executive officers and certain of their affiliates and related persons will not be entitled to vote upon Proposal 2. For more information on the conflicts of interest with respect to the Company s directors and executive officers and certain of their affiliates and related persons, as well as the applicable provision of the TBCA, see *The Transactions Interests of Certain Company Directors and Executive Officers.*

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How to Submit Your Proxy

A shareholder may submit his, her or its proxy using any of the following methods:

By telephone or on the Internet

You can submit your proxy by calling the toll-free telephone number on your white proxy card. Please have your white proxy card available when you call. Easy-to-follow voice prompts allow you to vote your shares and confirm that your instructions have been properly recorded.

The website for Internet submission of proxies is on your white proxy card. Please have your white proxy card available when you go online. As with telephone submission of proxies, you can confirm that your instructions have been properly recorded.

Telephone and Internet voting facilities for shareholders of record will be available 24 hours a day beginning on or about December 22, 2017, and will close at 11:59 p.m. Eastern time on January 29, 2018. The availability of telephone and Internet submission of proxies for beneficial owners will depend on the voting processes of your broker, bank or other holder of record. Therefore, the Company recommends that you follow the voting instructions in the materials you receive from such broker, bank or other holder of record.

If you submit your proxy by telephone or on the Internet, you do not need to return your white proxy card.

By mail

If you received your Special Meeting materials by mail, you may complete, sign and date the white proxy card or voting instruction card and return it in the prepaid envelope. If you are a shareholder of record and you return your signed white proxy card but do not indicate your voting preferences, the persons named in the white proxy card will vote the shares represented by that proxy as recommended by the Board.

In person at the Special Meeting

All shareholders as of the close of business on the Record Date may vote in person at the Special Meeting. You may also be represented by another person at the Special Meeting by executing a proper proxy card designating that person. If you are a beneficial owner of Current Common Stock, you must obtain a legal proxy from your broker, bank or other holder of record and present it to the inspectors of election with your ballot to be able to vote at the Special Meeting.

By granting a proxy or submitting voting instructions

You may vote by granting a proxy or, for shares of Current Common Stock held in street name, by submitting voting instructions to your bank, broker or other holder of record.

Voting of Proxies

If you submit your proxy by Internet, by telephone or by completing, signing, dating and mailing your white proxy card or voting instruction card, your shares will be voted in accordance with your instructions. If you are a stockholder of record and you sign, date and return your white proxy card but do not indicate how you want to vote or do not indicate that you wish to abstain, your shares will be voted (a) FOR the proposal to approve the Merger Agreement, (b) FOR the proposal that the Transactions be approved by disinterested shareholders action pursuant to Section 48-18-704 of the TBCA, (c) FOR the proposal to approve the Reclassification Amendment, (d) FOR the proposal to approve the Authorized Shares Amendment, (e) FOR the proposal to approve the CSAA Amendment, and (f) FOR the proposal to permit the Company to adjourn the Special Meeting, if necessary or advisable, to solicit additional proxies to approve the other proposals to be submitted for a vote at the Special Meeting.

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Revoking Your Proxy

If you are a shareholder of record, you may revoke your proxy at any time before it is voted at the Special Meeting. To do this, you must:

- submit a new proxy by telephone, over the Internet, or by signing and returning another proxy card by mail at a later date, in each case, prior to 11:59 p.m., Eastern time, on the night before the Special Meeting;
- provide written notice of the revocation to the Company s Corporate Secretary at J. Alexander s Holdings, Inc., P.O. Box 24300, Nashville, Tennessee 37202, Attention: Corporate Secretary, so that it is received prior to 11:59 p.m., Eastern time, on the night before the Special Meeting; or
- attend the Special Meeting and vote in person (attendance itself does not, however, constitute revocation of your proxy).

If your shares are held in street name, you must contact your broker or nominee to revoke and vote your proxy.

Attending the Special Meeting

Only shareholders of record, or beneficial owners of Current Common Stock, as of the Record Date, may attend the Special Meeting in person. You will need proof of ownership to enter the Special Meeting. Even if you plan to attend the Special Meeting, please submit your proxy.

If your shares are held beneficially in the name of a broker, bank or other holder of record, you must present proof of your ownership of Current Common Stock, such as a bank or brokerage account statement, to be admitted to the Special Meeting. Please note that if you plan to attend the Special Meeting in person and would like to vote there, you will need to bring a legal proxy from your broker, bank or other holder of record as explained above. If your shares are held beneficially and you would rather have an admission ticket, you can obtain one in advance by mailing a written request, along with proof of your ownership of Current Common Stock, to:

J. Alexander s Holdings, Inc.

P.O. Box 24300

Nashville, Tennessee 37202

Attention: Corporate Secretary

Shareholders also must present a form of photo identification, such as a driver s license, in order to be admitted to the Special Meeting. No cameras, recording equipment, large bags or packages will be permitted in the Special Meeting.

Confidential Voting

Proxy instructions, ballots and voting tabulations that identify individual Company shareholders are handled in a manner that protects your voting privacy. Your vote will not be disclosed either within the Company or to third parties, except (i) as necessary to meet applicable legal requirements, (ii) to allow for the tabulation of votes and certification of the vote and (iii) to facilitate a successful proxy solicitation.

Solicitation of Proxies

The cost of soliciting proxies, including expenses in connection with preparing and mailing of this proxy statement, will be borne by us. The Company has engaged Georgeson LLC to assist in the solicitation of proxies for the Special Meeting and the Company estimates it will pay a fee of approximately $55,000 for these services. The Company has also agreed to reimburse the proxy solicitor for, pay directly, or, where requested by the proxy

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solicitor in special situations, advance sufficient funds to the proxy solicitor for payment of, expenses and disbursements incurred in connection with the proxy solicitation and to indemnify the proxy solicitor against certain losses, costs and expenses. In addition, copies of solicitation material will be furnished to brokerage houses, fiduciaries and custodians holding shares in their names that are beneficially owned by others so that they may forward this solicitation material to such beneficial owners. We will reimburse brokerage firms and other persons representing beneficial owners of Current Common Stock for their expenses in forwarding proxy material to such beneficial owners. Solicitation of proxies by mail may be supplemented by telephone, telegram, electronic facsimile transmission and other electronic means, and personal solicitation by our directors, officers or employees. No additional compensation will be paid to our directors, officers or employees for such solicitation.

Copies of certain reports and statements that we have previously filed with the Commission may be obtained by any shareholder without charge by making a request through our Investor Relations website at http://investor.jalexandersholdings.com or by written request addressed to: J. Alexander s Holdings, Inc., P.O. Box 24300, Nashville, Tennessee 37202, Attention: Corporate Secretary.

Householding of Proxy Materials

Certain shareholders who share the same address may receive only one copy of this proxy statement in accordance with a notice delivered from such shareholders bank, broker or other holder of record, unless the applicable bank, broker or other holder of record received contrary instructions. This practice, known as householding, is designed to reduce printing and postage costs. Shareholders owning their shares through a bank, broker or other holder of record who wish to either discontinue or commence householding may request or discontinue householding, or may request a separate copy of the proxy statement, either by contacting their bank, broker or other holder of record at the telephone number or address provided in the above referenced notice, or contacting the Company by telephone at (615) 269-1900 or in writing at J. Alexander s Holdings, Inc., P.O. Box 24300, Nashville, Tennessee 37202, Attention: Corporate Secretary. Shareholders who are requesting to commence or discontinue householding should provide their name, the name of their broker, bank or other record holder and their account information.

Assistance

If you need assistance in completing your white proxy card or have questions regarding the Special Meeting, please contact Georgeson LLC, the Company s proxy solicitor, toll-free at (866) 432-2791.

PARTIES TO THE MERGER AGREEMENT

J. Alexander s Holdings, Inc. (the Company)

The Company is a Tennessee corporation whose common stock is publicly traded on the NYSE under the symbol JAX. The Company is a collection of boutique restaurants that focus on providing high quality food, outstanding professional service and an attractive ambiance. The Company presently owns and operates the following concepts: J. Alexander s, Redlands Grill, Stoney River Steakhouse and Grill and Lyndhurst Grill.

The Company was incorporated in the State of Tennessee on August 15, 2014 as an indirect subsidiary of FNF. Following certain internal restructuring transactions, the Company became the ultimate parent holding company of JAX Op s assets and operations. In the fourth quarter of fiscal year 2015, the Company became an independent, publicly traded company as a result of Spin-off from FNF.

The address and telephone number of the principal executive offices of the Company are 3401 West End Avenue, Suite 260, P.O. Box 24300, Nashville, Tennessee 37202 and (615) 269-1900. Additional information about the Company and its subsidiaries is included in documents incorporated by reference into this proxy statement. See *Where You Can Find More Information* on page 151 of this proxy statement.

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J. Alexander s Holdings, LLC (JAX Op)

JAX Op is a Delaware limited liability company and majority-owned subsidiary of the Company. JAX Op is a holding company through which the Company conducts its business. JAX Op owns 100% of the membership interest of J. Alexander s, LLC, the successor by conversion to JAC. From 1991 to 2012, J. Alexander s restaurants were owned and operated by JAC. In September 2012, JAC was acquired by FNFV, and in February 2013, ownership of Stoney River Management Company, LLC and its subsidiaries and related restaurant assets was transferred to JAX Op.

The address and telephone number of the principal executive offices of JAX Op are c/o J. Alexander s Holdings, Inc., 3401 West End Avenue, Suite 260, P.O. Box 24300, Nashville, Tennessee 37202 and (615) 269-1900.

Nitro Merger Sub, Inc. (Merger Sub)

Merger Sub is a Tennessee corporation and wholly owned subsidiary of JAX Op formed solely for the purpose of implementing the Transactions. It has not carried on any activities or operations to date, except for those activities incidental to its formation and undertaken in connection with the Transactions.

The address and telephone number of the principal executive offices of JAX Op are c/o J. Alexander s Holdings, Inc., 3401 West End Avenue, Suite 260, P.O. Box 24300, Nashville, Tennessee 37202 and (615) 269-1900.

99 Restaurants, LLC (99 Restaurants)

99 Restaurants is a Delaware limited liability company and an indirect, wholly owned subsidiary of FNH that operates Ninety Nine. Ninety Nine is a Woburn, Massachusetts-based casual-dining concept that began in 1952 with its initial location at 99 State Street in downtown Boston, Massachusetts and is currently operating 106 restaurants in seven states within the New England area. All restaurants are open seven days a week and serve lunch and dinner.

The address and telephone number of the principal executive offices of 99 Restaurants are 14A Gill Street, Woburn, Massachusetts 01801 and (781) 933-8999.

Cannae Holdings, LLC (f/k/a Fidelity National Financial Ventures, LLC) (FNFV)

FNFV, a Delaware limited liability company, is a wholly owned subsidiary of Cannae. FNFV holds majority and minority equity investment stakes in a number of entities, including ABRH, LLC, Ceridian HCM, Inc. and Del Frisco s Restaurant Group, Inc.

On November 17, 2017, FNF completed a previously announced a transaction in which it redeemed all of the outstanding shares of FNFV common stock (formerly a tracking stock of FNF) for outstanding shares of Cannae, formerly a wholly owned subsidiary of FNF. Prior to such redemption, FNFV was contributed to Cannae. Following the completion of the Cannae Split-Off, the common stock of Cannae was listed on the NYSE under the ticker symbol CNNE .

The address and telephone number of the principal executive offices of 99 Restaurants are 1701 Village Center Circle, Las Vegas, Nevada 89134 and (702) 323-7334.

Fidelity Newport Holdings, LLC (FNH)

FNH, a Delaware limited liability company, is a joint venture owned by FNFV, Newport, and certain individuals. FNH is a holding company and its subsidiaries own and operate more than 550 company and franchise family and casual dining restaurants in 40 states and Guam under the O Charley s, Ninety Nine Restaurant & Pub, Village Inn, and Bakers Square restaurant and food service concepts, and the Legendary Baking bakery operation.

The address and telephone number of the principal executive offices of FNH are 1701 Village Center Circle, Las Vegas, Nevada 89134 and (702) 323-7334.

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THE TRANSACTIONS

At the Special Meeting, the Company s shareholders will be asked to consider and vote upon proposals to approve the Merger Agreement and the Transactions, along with other proposals related thereto. Set forth below in this section, and in the section entitled The Merger Agreement beginning on page 86, is a discussion of the Transactions, including a description of the terms and conditions of the Merger Agreement. You should review these sections carefully in connection with your consideration of these proposals.

General Description

On August 3, 2017, the Company, JAX Op and Merger Sub entered into the Merger Agreement with FNH, FNFV and 99 Restaurants. Pursuant to the Merger Agreement, the Company has agreed to acquire 99 Restaurants in exchange for the issuance by JAX Op of 16,272,727 Class B Units (and a corresponding number of shares of the Company s Class B Common Stock) and the assumption of $20 million of net debt. The transaction (including the assumption of net debt) is valued at approximately $199 million, subject to certain adjustments and based on the agreed-upon $11.00 per share value of the equity component of the Merger Consideration. The acquisition of 99 Restaurants will occur by Merger Sub merging with and into 99 Restaurants, with 99 Restaurants surviving the Merger as a wholly owned subsidiary of JAX Op.

Also on August 3, 2017, JAX Op and BKAS entered into the Black Knight Termination Agreement, effective as of and conditioned upon the Closing, pursuant to which the Consulting Agreement will terminate in exchange for a termination fee, together with the payment of any fees or expenses accrued as of such date, to be paid to BKAS.

Immediately following the consummation of the Merger, JAX Op will contribute the equity interests of 99 Restaurants to one of its wholly owned subsidiaries, J. Alexander s, LLC, and 99 Restaurants will be an indirect, wholly owned subsidiary of JAX Op.

Corporate Structure Following Completion of the Transactions

If the Transactions are consummated in accordance with the terms of the Merger Agreement, the following changes in the Company s and JAX Op s organizational structure will occur.

The Company

- Shares of Current Common Stock will be reclassified as Class A Common Stock, which will have the same rights and privileges as Current Common Stock, and will continue to be listed for trading on the NYSE under the ticker symbol JAX . No additional shares of Class A Common Stock will be issued as part of the Transactions.

- The Company will issue 16,272,727 shares of newly created Class B Common Stock, which shares will be entitled to voting rights (on a one-for-one basis with shares of Class A Common Stock) but will have no economic rights in the Company (although the Sellers will have an economic interest in JAX Op through their ownership of Class B Units). The Class B Common Stock will not be listed for trading on any exchange.

JAX Op

JAX Op will create a new class of membership interest, Class B Units, which will be the economic equivalent to the Class A Units held by the Company. 16,272,727 Class B Units will be issued to the Sellers.

Existing Class A Units will be unaffected by the Transactions (other than being diluted by the issuance of Class B Units to the Sellers);

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Existing management Class B Units will be renamed Class C Units and will continue to represent profits interests held by management for incentive compensation purposes; and

Profits interest units held by BKAS will remain exchangeable for 90 days after the Closing.

The diagram below summarizes the organization structure of the Company and its subsidiaries immediately after completion of the Transactions (with percentage interests determined as of December 19, 2017):

The diagram above does not depict profits interest units held by BKAS, which will be exchangeable into Class A Common Stock for a period of 90 days following the Closing, and does not give effect to any exchange by BKAS of its profits interest units for shares of Class A Common Stock. For further information on BKAS s profits interest units, see *Ancillary Agreements Black Knight Termination Agreement.* The diagram above also does not give effect to any exchange by management of their profits interest units for shares of Class A Common Stock or the issuance of any shares of Class A Common Stock following the exercise by any Company employee or member of the Board of any outstanding Company stock options.

The Class A Common Stock will represent approximately 47.5% of the outstanding shares of capital stock (and voting power) of the Company and the Class B Common Stock held by the Sellers will represent approximately 52.5% of the outstanding shares of capital stock (and voting power) of the Company, based on the number of shares of Current Common Stock outstanding as of December 19, 2017. Class A Common Stock will have the same voting and economic rights as Current Common Stock. Class B Common Stock will have voting rights, but no economic rights. Sellers will have an aggregate 52.5% economic interest (as calculated on December 19, 2017) in JAX Op through their ownership of Class B Units. Existing holders of Current Common Stock will have a 47.5% economic interest (as calculated on December 19, 2017) in JAX Op indirectly through the Company s ownership of Class A Units.

For more information on the Company s Restated Charter and the Third Amended and Restated Limited Liability Company Agreement of the Company (the Restated LLC Agreement), see *Ancillary Agreements Second*

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Amended and Restated Charter of the Company and *Ancillary Agreements Third Amended and Restated Limited Liability Company Agreement of JAX Op*.

After completion of the Transactions, the Company will be a controlled company under the listing standards of the NYSE. However, the Company does not currently intend to avail itself of any of the exemptions from certain NYSE corporate governance requirements that are available to controlled companies.

The Company s Board of Directors Reasons for Approving the Transactions

Background of the Transactions

The following chronology summarizes the key meetings and events that led to the signing of the Merger Agreement. In this process, the Company held many conversations, both by telephone and in-person, about a potential transaction. The chronology below covers only the key events leading up to the Merger Agreement and does not purport to catalogue every conversation among the Board or the representatives of the Company and other parties.

From time to time, the Board and the Company s senior management have evaluated potential transactions relating to the Company s business, including prospects for alternative financing structures, potential additional restaurant concepts or other uses of capital, all with a view toward enhancing shareholder value. The Board periodically receives financial updates from the Company s senior management and discusses the strategic direction of the Company. The Board s consideration and ultimate recommendation of the approval of the Merger is the result of negotiations and evaluations, beginning in February 2017, of the key features of the transaction. Throughout the events described below, the Board was kept regularly informed of developments.

On February 15, 2017, William P. Foley, II met with Frank Martire, the Chairman of the Board, and Lonnie J. Stout II, the Company s Chief Executive Officer, and informed them, in his role as Chairman of FNFV, that FNH was considering the sale of 99 Restaurants. Mr. Foley asked the Company to consider purchasing 99 Restaurants, and indicated that FNFV valued 99 Restaurants based on approximately the same multiple of Adjusted EBITDA that applied to the Company, based on prevailing market prices for Current Common Stock at such time. This implied a valuation of approximately $212 million for 99 Restaurants, including the assumption of debt. Mr. Foley also proposed a possible deal structure whereby the consideration was to be paid by the Company in equity and the Company assume approximately $30 million in debt of 99 Restaurants or its affiliates. Mr. Stout viewed a transaction as an opportunity to eliminate the Consulting Agreement with BKAS, which he knew had been viewed unfavorably by shareholders. Therefore, Mr. Martire and Mr. Stout discussed the potential termination of the Consulting Agreement with BKAS. Mr. Martire had previously discussed with Mr. Foley the potential termination of the Consulting Agreement, which the Board understood would likely be viewed favorably by the shareholders of the Company, as terminating the Consulting Agreement would eliminate payments of management fees to BKAS and ultimately eliminate the fluctuations in the Company s earnings that result from the quarterly valuation of the equity incentive compensation profits interest held by BKAS. Mr. Foley indicated his view that the termination of the Consulting Agreement could be completed in connection with and contingent upon the Company s purchase of 99 Restaurants. After the meeting, Mr. Stout and Mr. Martire discussed the potential transaction and decided that Mr. Stout and management of the Company would conduct a preliminary assessment of 99 Restaurants, its business, assets and prospects and potential terms of any acquisition, in preparation for potential future discussion with FNH of a transaction and in preparation for reporting to the Board.

During late February and March, 2017, Mr. Stout and senior management of the Company evaluated information provided by 99 Restaurants with respect to its business and its 2016 performance and future prospects and also evaluated information concerning the casual dining segment of the restaurant industry. Mr. Stout consulted Bass, Berry & Sims PLC (Bass, Berry), the Company s legal counsel, about a possible transaction. In addition, Mr. Stout determined that it may be advisable to consult an investment banking firm to discuss obtaining an analysis and/or a fairness opinion concerning the transaction if pursued. Mr. Stout and Mr. Martire were in regular contact during this time and thereafter concerning the information provided by 99 Restaurants and ongoing due diligence and evaluation.

On February 24, 2017, Mr. Martire and Mr. Stout spoke with David Ducommun, Managing Director, Corporate Finance of FNFV, concerning information about the 99 Restaurants business, the casual dining segment and the potential valuation of 99 Restaurants.

On March 13, 2017, Mr. Stout and Mr. Martire spoke with Mr. Foley by telephone to discuss a potential transaction. Mr. Stout informed Mr. Foley that, based on management s preliminary assessment, he believed that the Company may be interested in pursuing an acquisition of 99 Restaurants on terms similar to those that Mr. Foley had outlined, subject to ongoing diligence, satisfactory negotiation of structure and definitive agreements and other customary conditions. It was also noted that the Consulting Agreement would be terminated in connection with the transaction.

In early March, Mr. Stout contacted Sarah Gill Campbell of Stephens, an investment banking and financial advisory firm that had performed advisory services for the Company previously and is familiar with the Company s business. Stephens had also provided services to FNH and FNFV or their affiliates, which was made known to the Company and the Board. Stephens had been most recently engaged by the Company in 2015, in connection with the Spin-off of the Company during that year. Ms. Campbell discussed with Mr. Stout conditions in the mergers and acquisitions market and other recent restaurant sale transactions. In the period following this call, members of senior management of the Company, in anticipation of the Company engaging Stephens to render an opinion as to the fairness, from a financial point of view, of the consideration to be paid by the Company in the transaction, regularly communicated with Ms. Campbell and Stephens representatives concerning the terms of the engagement of Stephens, the potential acquisition, information about 99 Restaurants, and the fairness of the transaction consideration.

On March 26, 2017, Mr. Brent Bickett, Executive Vice President, Corporate Strategy of FNF and Managing Director of FNFV, contacted Mr. Stout by telephone to tell him that he planned to send a written proposal on behalf of FNH, which he sent on March 28, 2017. Mr. Bickett explained to Mr. Stout that Newport, as an owner of FNH, had expressed concern that the $212 million valuation for 99 Restaurants discussed by Mr. Foley was too low and did not fully value the business of 99 Restaurants, and that a higher valuation was appropriate. The nonbinding proposal, dated March 27, 2017, placed a valuation of $225 million on 99 Restaurants (including $30 million of assumed net indebtedness), used a tax-deferred structure whereby the sellers would receive equity in JAX Op (exchangeable for common stock) and voting rights in the Company, and included a provision giving FNH three board seats. The proposal also included a tax receivable agreement between FNH and the Company that related to future tax benefits and would require future cash payments by the Company to FNH when equity in JAX Op was exchanged and the Company received a stepped-up basis in the assets purchased. The Company estimated that the value of the tax receivable agreement was approximately $15 million to $18 million (on an undiscounted basis) based on the terms suggested. Mr. Bickett explained to Mr. Stout that the $225 million valuation placed the same multiple of Adjusted EBITDA on 99 Restaurants as the multiple at which the Current Common Stock was trading at that time. Following receipt of the March 27 proposal, Mr. Stout and Mr. Martire discussed the proposal and a potential response with counsel and management. They noted in particular that the March 27 proposal used a valuation of $225 million, which was a higher valuation than the valuation that Mr. Stout had previously discussed with Mr. Foley.

On March 31, 2017, Mr. Stout sent a letter to Mr. Bickett on behalf of the Company in response to FNH s March 27 proposal. Mr. Stout s letter to FNH pointed out the higher purchase price contained in the FNH term sheet and the Company s position that the multiple of Adjusted EBITDA used to value 99 Restaurants should not be greater than the trading multiple of Current Common Stock. Mr. Stout s letter also noted that a tax receivable agreement should be considered part of the purchase price to be paid by the Company, if such an agreement were to be part of the transaction. The letter also noted that any transaction would need to be vetted by not only the Board, but also the shareholders of the Company (via a vote of the shareholders).

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In April 2017, Mr. Stout and senior management of the Company continued to evaluate information concerning 99 Restaurants and made a formal due diligence request with respect to business and legal information of 99 Restaurants. Management prepared a presentation for an upcoming meeting of the Board concerning 99 Restaurants, its operating metrics, business operations as reflected in unaudited financial information prepared by 99 Restaurants, and potential positive and negative factors affecting a potential acquisition, including advantages to the Company of completing a transaction that would increase its size and potentially increase future liquidity for its securities.

On April 13, 2017, Mr. Stout and Mr. Martire spoke by telephone with Mr. Bickett and discussed the terms of the potential transaction. Mr. Bickett again expressed FNH s interest in a tax receivable agreement. Also on April 13, 2017, Mark A. Parkey, the Company s Chief Financial Officer, discussed with Mr. Bickett the potential termination of the Consulting Agreement between JAX Op and BKAS as an early termination by JAX Op under the Consulting Agreement s termination provisions. Pursuant to the Consulting Agreement, an early termination would require a contractual payment by JAX Op to BKAS calculated as three times the prior year s management fee (based on the formula that applied after a change in control), and termination would cause the unvested profits interest units held by BKAS to vest in full on an accelerated basis and thereafter the profits interest would remain exchangeable for common stock of the Company for only 90 days. Mr. Ducommun and Mr. Parkey verified the amount of the termination payments pursuant to the formula as set forth in the Consulting Agreement. Timothy Janszen, on behalf of Newport, as its Chief Executive Officer, expressed Newport s concurrence in its view as a shareholder of the Company that eliminating the Consulting Agreement would be favorable from the standpoint of a Company shareholder.

While the Consulting Agreement would not by its terms terminate as a result of the proposed transaction, the Company believed that terminating this agreement, thereby eliminating future cash outlays required for the consulting fee and fluctuations in earnings results associated with quarterly valuations of the profits interest units, would be beneficial to the Company and its shareholders. Furthermore, the termination fee to be paid to BKAS in connection with the proposed transaction would be less than half the amount the termination fee would be had the Company terminated the Consulting Agreement on December 31, 2017, absent the proposed transaction.

On April 27, 2017, Mr. Stout and Mr. Martire discussed with Mr. Foley issues regarding the FNH proposal of March 27. Mr. Foley indicated that FNH may be willing to modify some of the terms, such as reducing the debt assumption to $20 million.

On April 28, 2017, the Board held its regular quarterly meeting. At the meeting, Mr. Stout made a presentation concerning 99 Restaurants, its business, assets, operating metrics and financial information. He discussed the estimated accretion to earnings that would have resulted if the transaction had occurred at the beginning of 2016. He also presented potential positive factors and certain risks and uncertainties in connection with a transaction, for the Board s consideration. For a description of the factors considered by the Board in making its determination with respect to the Transactions, see the sections in this proxy statement entitled *The Transactions Recommendation of the Company s Board of Directors* and *The Transactions The Company s Board of Directors Reasons for Approving the Transactions*. Mr. Stout noted that the transaction provided an opportunity to terminate the Consulting Agreement with BKAS at a lower termination fee than the fee that would have been applied absent a transaction, and that, based on comments from shareholders over the past 18 months, he believed shareholders would view the termination positively in light of the elimination of future fees and quarterly valuations associated with the BKAS profits interest. After the Board discussed the information presented, the Board observed that there were some conflicts, given various relationships between Board members and FNH, FNFV and/or FNF. The Board determined to appoint Mr. Stout and Mr. Martire as the representatives of the Company for the purpose of negotiating the potential transaction. The Board also approved engaging Stephens to render a fairness opinion, such engagement to be on terms finalized by Mr. Stout and Mr. Martire. The Board determined it was in the best interest of the Company s shareholders to pursue a transaction that would allow the current shareholders of the Company to participate in the future benefits of ownership through continuing equity ownership in the Company, rather than to seek other possible alternative transactions in which such ownership may cease, such as a sale of the Company. Further, while the Company periodically evaluates potential acquisition targets, the Board noted that management and the Board had no other potential acquisition candidates under consideration at such time. Therefore, the Board requested management focus on the potential acquisition of 99 Restaurants. The Board further approved an offer to be made by the Company to pay consideration based on an $11.00 per share value for Current Common Stock, which was the closing trading price of the Current Common Stock on the NYSE on that date and, ultimately, greater than the $10.10 per share closing trading price of the Current Common stock on the NYSE on the date on which a definitive agreement was executed. At this time, the Board anticipated that it would be favorable to structure transaction consideration using a fixed per share value for Current Common Stock, and preferred this certainty to negotiating a value that varied depending on prevailing market prices, which could result in a greater (or fewer) number of shares to be issued as consideration. The Board also was aware that the due diligence process and negotiation of definitive agreements would take some time and that the pricing may be subject to further discussion and negotiation.

The Company s negotiations and due diligence review continued after this time. In May, Mr. Martire and Mr. Stout regularly discussed by telephone the status of the negotiations and perspectives on the repeated request by FNH for a tax receivable agreement. Mr. Stout communicated to Mr. Martire the view of senior management of the Company, as well as that of Stephens and counsel to the Company, that entering into a tax receivable agreement was additional value to be paid by the Company with respect to the transaction and should be considered part of the purchase price. A preliminary assessment of such an agreement by management estimated that the impact of a tax receivable agreement would be to increase the overall consideration to be paid by the Company by approximately $15 million to $18 million on an undiscounted basis.

On May 4, 2017, Mr. Stout sent a new term sheet proposal to Mr. Foley, which included the following key terms: a valuation for 99 Restaurants of $211.8 million, net debt assumption of $20 million, no tax receivable agreement, and appointment of Mr. Foley to the Board (with no specific legal obligation to retain him as a member of the Board). A tax receivable agreement was not included as part of the transaction proposal.

Also on May 4, 2017, Mr. Martire and Mr. Stout discussed with Mr. Foley the transaction, the terms proposed by the Company and, in particular, FNH s request for the proposed tax receivable agreement, which had not been included in the term sheet proposal. An executed version of the non-binding term sheet was sent by Mr. Stout to Mr. Foley on May 4. FNH executed the nonbinding term sheet and returned it to the Company the same day.

The due diligence efforts and discussions concerning the structure and terms of the transaction continued after this date. In May through July, 2017, counsel to the Company and 99 Restaurants exchanged drafts of a merger agreement, ancillary documents and structural diagrams concerning the structure and terms of the transaction. The Company continued to view favorably the opportunity to eliminate the Consulting Agreement. Drafts of a termination agreement with respect to the Consulting Agreement were also exchanged. Representatives of the Company and FNH and 99 Restaurants discussed various aspects of a potential transaction, including financial and legal due diligence, transition issues, operations and business issues. Management continued working on the financial due diligence and providing information as requested by Stephens to aid in its assessment of the fairness to the Company and to the shareholders of the Company of the consideration to be paid by the Company in the transaction. The parties continued to discuss the tax receivable agreement and, on June 27, 2017, FNH conceded that it would not require a tax receivable agreement in connection with the transaction, leaving benefits of future tax deductions to the Company.

The Company and its counsel negotiated for and ultimately succeeded in obtaining the following key terms in the draft merger agreement:

a separate vote by the disinterested shareholders of the Company, so that the transaction would not be consummated unless the holders of outstanding shares of Current Common Stock that constitute qualified shares approved the transactions (which would exclude shares held by the Board, our executives officers and their related persons);

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- no specific governance rights or board seats, other than adding Mr. Foley to the Board of the Company;
- no tax receivable agreement (and thus no potential future cash payments to the Sellers related to future basis adjustments as a result of any exchanges of Class B Units);
- a lower valuation for 99 Restaurants, as described herein;
- termination of the Consulting Agreement at a lower termination fee than in the absence of a transaction, which termination would end the payment of consulting fees and the regular quarterly valuation of the BKAS profits interest units, and would be favorable to the Company and its shareholders as future financial results would not be impacted by either the fees or the income-statement impact of the quarterly valuation;
- indemnification by the Sellers in the event of breaches of the Merger Agreement;
- a fiduciary out, or the right of the Company to terminate the Merger Agreement in certain circumstances, including a superior proposal from a third party for a transaction with the Company; and
- a waiver of certain provisions of the Tax Matters Agreement by FNF as it relates to the Transactions.

In June 2017, Stephens indicated in its discussions with the Company that, based on the financial information received, Stephens was unsure as to whether Stephens could reach a conclusion that the transaction consideration would be fair, and addressed several key indicia, including the levels at which the transaction was projected to be accretive to earnings and the relative valuations of 99 Restaurants and the Company, based on the prevailing stock price and earnings multiple as reflected in the price of Current Common Stock. Stephens also noted that the relative valuations did not appear to reflect a premium above the current stock price of Current Common Stock for the relative valuation of the Company. The Company requested additional information from 99 Restaurants and continued the due diligence process.

In July 2017, Stephens continued its work and suggested that its preliminary concerns should be discussed with FNH and with the Board. Mr. Martire and Mr. Stout discussed the financial information and projections and determined that a valuation of $199 million for 99 Restaurants (inclusive of the assumption of $20 million in net debt) would be favorable. They believed that this valuation and the resulting decrease in the number of Company shares/units issuable as consideration could enable Stephens to render a fairness opinion. The parties continued to exchange drafts of a merger agreement and ancillary documents.

Mr. Stout and Mr. Martire contacted Mr. Foley on July 24 and 25, 2017, and explained the Company s concern regarding the valuation of 99 Restaurants, which conversations served as the basis for the Company s seeking and ultimately obtaining a lower equity valuation for 99 Restaurants and a resulting decrease in the number of shares of Company stock (and units) to be issued as consideration in the transaction. Mr. Stout met with Mr. Foley on July 24, 2017, prior to the Company s regularly scheduled quarterly board meeting, and discussed the proposed $199 million valuation and resulting consideration, which reflected a lower earnings multiple applied to 99 Restaurants. Mr. Foley indicated he believed that FNH would accept this valuation and the reduced consideration for the transaction, and the parties used the $11.00 fixed price per share of Company stock as initially discussed in April 2017, which was also the most recent closing stock price of the Current Common Stock on the NYSE (July 21, 2017). This price would result in the issuance by the Company of 16,272,727 shares of Company stock (and corresponding units of JAX Op) as consideration for the transaction.

At the Board meeting on July 25, 2017, Mr. Stout reported to the Board the status of the negotiation and the lower price that was now under discussion. He reviewed the history of the purchase price negotiations, which included an original proposal by Mr. Foley valued at $212 million and a written nonbinding proposal for consideration valued at $225 million plus a tax receivable agreement valued at approximately $15 million to $18 million (on an undiscounted basis), and FNH s request for three board seats. He noted that the $11.00 per share value used to calculate the number of shares of Current Common Stock to be issued as consideration in the

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Merger was the same as the prior day s closing stock price on the NYSE. Mr. Stout described the current discussions, which included key terms of a $199 million valuation for 99 Restaurants (comprised of $20 million net debt assumption and $179 million equity value) and, consequently, less equity consideration to be paid by the Company, as well as no tax receivable agreement, and only Mr. Foley to be added to the Board. Mr. Stout also updated the Board on the status of the evaluation and due diligence review of 99 Restaurants and his assessment thereof. He explained that, because of its position in the $15 to $20 check average bar and grill segment of the casual dining space, 99 Restaurants may not appear to be a natural complement to the Company s existing concepts, which are positioned in the upscale or high check average, service-focused segment of the casual dining industry. However, management nevertheless believed that 99 Restaurants is operationally best in class in its segment and is complementary in its philosophical approach to guests, operations and quality. Management also believed that 99 Restaurants possessed several key components integral to a successful acquisition, including a stable and experienced management team, including senior, regional and store level management (along with many tenured, long-term hourly employees, both in the culinary and service sides of 99 Restaurants business), a strong, long-standing presence in 99 Restaurants geographic market area and strong local ties to communities, a lengthy operating history with consistent emphasis on good food for a fair price, significant guest loyalty and other unique attributes that tend to insulate the concept from certain competitive challenges facing the $15 to $20 check average bar and grill segment. Based on Management s diligence, 99 Restaurants presented an opportunity to own a strong concept in a different segment of the restaurant industry, which would allow the Company to diversify its business.

Mr. Stout also expressed management s belief that allowing existing management to continue to operate 99 Restaurants following the Closing would increase the likelihood that 99 Restaurants will be able to maintain its historical successful operations and predictable cash flows, and that the Company s establishment of a back-office function (i.e., accounting, information systems and benefits management) in Nashville, which has historically been provided by ABRH to 99 Restaurants on a shared-services basis, would create significant synergies that would be realized prospectively. Once completed, following an estimated six-to-twelve month integration period subsequent to the Closing, management anticipates that these potential synergies could reach an approximate $1.5 million to $2 million annual impact on pre-tax income, and an approximate $0.6 million to $1.1 million annual impact on the combined company s Adjusted EBITDA. The Board recognized that the transaction involved the issuance of a significant equity stake as consideration for 99 Restaurants, but also believed that the transaction consideration involved only minimal risk, as minimal debt would be incurred and the transaction would significantly increase the size and scale of the Company s business and potential future market capitalization, encouraging investor analysis and interest, while retaining the same management team and Board, except for the addition of Mr. Foley to the Board. After discussion, the Board unanimously approved Mr. Stout s and Mr. Martire s proceeding to negotiate the transaction at the lower purchase price and terms noted.

Following the July 25 Board meeting, the Company, 99 Restaurants and representatives of the parties worked to finalize the merger agreement during the next week. The Black Knight Termination Agreement was also finalized. The Board received materials including draft agreements and drafts of Stephens fairness opinion.

On August 3, 2017, the Board met to consider the Merger, and representatives of Stephens and Bass, Berry participated. Bass, Berry discussed with the Board the proposed terms of the Merger Agreement and ancillary agreements. The Board noted the $11.00 per share value used to determine the consideration payable pursuant to the Merger Agreement compared favorably to the market price of a share of Current Common Stock on that date, closing at $10.10 per share of Current Common Stock. Stephens made a presentation to the Board concerning Stephens analysis of the financial information of 99 Restaurants and the Company and the fairness, from a financial point of view, to the Company and its public shareholders of the consideration to be paid by the Company, as described below under *The Transactions Opinion of Stephens Inc.* The Board reviewed in detail the terms of the transaction and the information provided by Stephens. Stephens orally delivered its fairness opinion to the Board, which was later confirmed in writing, that, based upon and subject to the matters described

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in that fairness opinion, as of August 3, 2017, the consideration to be paid by the Company pursuant to the Merger Agreement was fair, from a financial point of view, to the Company and its public shareholders. After deliberations and due consideration of its fiduciary duties under applicable law, the Board resolved by unanimous vote that the form, terms, provisions and conditions of the Merger Agreement be approved and declared advisable, fair to and in the best interests of the Company and its shareholders. The Board resolved to recommend to the shareholders of the Company that they approve the Transactions and adopt the Merger Agreement, subject to the ability of the Company to make a Recommendation Withdrawal (as defined in the Merger Agreement) pursuant to and in accordance with the terms of the Merger Agreement.

On August 4, 2017, the Company issued a press release announcing the execution of the Merger Agreement.

Recommendation of the Company s Board of Directors

At a meeting held on August 3, 2017, the Board (i) determined and declared that Merger Agreement and the Transactions are advisable, fair to and in the best interests of the Company and its shareholders, (ii) unanimously approved the Merger Agreement and the Transactions, (iii) directed that the Merger Agreement and the Transactions be submitted to Company shareholders for approval and (iv) recommended that the Company shareholders approve the Merger Agreement and the Transactions.

In evaluating the Merger Agreement and the Transactions, the Board regularly consulted with the Company s senior management and its outside legal advisor, Bass, Berry. In reaching its decision that the Transactions are advisable, fair to and in the best interest of the Company and its shareholders, and in reaching its recommendation that the shareholders approve the Transactions and adopt the Merger Agreement, the Board considered a number of factors, including the following material factors and benefits of the Transactions, which the Board viewed as supporting its recommendation:

- *99 Restaurants Operating and Financial Condition*. 99 Restaurants business, including its current and historical financial condition and results of operations, competitive position, properties and assets, as well as its business strategy and prospects in light of the current and prospective economic environment, including the following:
  - strong and stable management team, including senior, regional and store level management;
  - healthy same-store sales and cash flow surplus (which could be used by the Company to repay debt and to fuel future growth or acquisitions);
  - focus on quality of food and service;
  - successful history of developing the regional identity of 99 Restaurants, including its special regional menu and a loyal local customer base;

successful competitive position in an area of the country where development of new restaurants can be more difficult;

no need for extensive remodeling or updates, as most of 99 Restaurants locations have been recently remodeled; and

only modest capital expenditure requirements to open new locations of 99 Restaurants in the future, given 99 Restaurants hermit crab strategy of refitting former restaurant locations of other brands.

Accretion. The fact that the Transactions are expected to be accretive to the earnings per share of the Company, even without assuming any synergies arising from the Transactions. See *The Transactions Certain Financial Projections* .

Synergies and Improvements. The fact that cost synergies are expected from combining the back-office function of 99 Restaurants with the Company s back-office function, which cost synergies, if realized,

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would be expected to result in additional accretion to earnings, and the Company s belief that the Company can enhance opportunities to increase food quality at 99 Restaurants. Following an estimated six-to-twelve month integration period subsequent to the Closing, management estimates that potential synergies could reach an approximate $1.5 million to $2 million annual impact on pre-tax income, and an approximate $0.6 million to $1.1 million annual impact on the combined Company s Adjusted EBITDA.

Company Size. The Transactions represent an opportunity to increase the scale of the Company s operations to better spread public company costs and management costs and that future increased equity float of the Company may attract additional equity analyst coverage, additional investor interest and future liquidity for Class A Common Stock (now Current Common Stock).

Growth Prospects of the Company. The Board s evaluation of the Company s long-term strategic plan and the related execution risks and uncertainties (including the risk factors set forth in the Company s Annual Report on Form 10-K for the year ended January 1, 2017), and its weighing of the prospects of more rapid growth through the acquisition of 99 Restaurants, in contrast to the Company s historically modest growth pace for new restaurant openings, and achieving long-term value for its shareholders through execution of the Company s strategic business plan versus the value to shareholders which could be realized through the Transactions. The Transactions offered a structure in which the current shareholders could retain their interest in a public company with enhanced growth prospects, as opposed to other possible strategies such as a sale transaction that would have ended the shareholders opportunity to benefit from future growth.

Relative Valuation. The final negotiated equity valuation of $179 million for 99 Restaurants, which yields a lower multiple of 2016 earnings for 99 Restaurants than that implied by the $11.00 per share value attributed to Current Common Stock, which represented an approximate premium of 8.9% over $10.10, the closing price per share of Current Common Stock on the NYSE on August 3, 2017, the date of the Merger Agreement.

Termination of the Consulting Agreement. The termination of the Consulting Agreement with BKAS would end the payment of annual management fees to BKAS by the Company and the quarterly valuations of the BKAS profits interest units, which have impacted the Company s net income since October 2015. The addition of Mr. Foley as a Board member would enable the Company to benefit from his experience and familiarity with the business, without the payment of any consulting fees (other than traditional directors fees).

Negotiations with the Sellers. The course of discussions and negotiations between the Company and the Sellers and improvements to the terms of the Sellers acquisition proposal in connection with those negotiations, ultimately resulting in the following key terms:

a lower valuation of $199 million for 99 Restaurants (including the assumption of $20 million of net debt), and the relative valuation outlined above, determining the number of Class B Units using an

$11.00 per share stock price for the Current Common Stock, a premium to prevailing market prices;

no tax receivable agreement, which leaves potential future tax basis step-up and resulting increased depreciation deductions to benefit the Company (to the extent that JAX Op Class B Units are converted to Class A Common Stock), creating potential future tax savings for the Company;

only one additional Board member; and

the Board s ability to make a recommendation withdrawal (as described below) and termination rights.

Opinion of Stephens. The opinion delivered to the Board on August 3, 2017, by Stephens that, based upon and subject to the limitations and assumptions set forth in its written opinion, the consideration to be paid by the Company pursuant to the Merger under the Merger Agreement was fair, from a financial point of view, to the Company and its public shareholders, and the related financial analyses performed by Stephens, as more fully described below under the caption *The Transactions Opinion of Stephens Inc.* .

Ability to Withdraw or Change Recommendation. The Board s ability under the Merger Agreement to withdraw or modify its recommendation in favor of the Transactions under certain circumstances, including its ability to terminate the Merger Agreement in connection with a superior proposal (as specified in the Merger Agreement), subject to payment of a termination fee of $4.0 million.

Disinterested Shareholder Vote. The fact that the disinterested shareholders of the Company would have a separate vote on the Transactions, which approval is a condition to the consummation of the Transactions.

Availability of Transition Services. The fact that the Sellers and their affiliates were willing to enter into a Transition Services Agreement to provide transition services, including information technology, accounting and benefits support, for a smooth transition and continuity of 99 Restaurants business.

Advisors. The fact that the Company s legal advisors were involved throughout the evaluation process and negotiations and met with the Board, which provided the Board with additional perspectives on the negotiations in addition to those of management.

Customary Conditions; Specific Enforcement. The fact that the terms and conditions of the Merger Agreement minimize, to the extent reasonably practicable, the risk that a condition to the Transactions would not be satisfied and the Company s ability to specifically enforce the Sellers obligations, including the obligations to consummate the Transactions, under the Merger Agreement.

Unanimous Determination. The fact that the Board was unanimous in its determination to recommend that the shareholders approve the Transactions and adopt the Merger Agreement.

The Board also considered a variety of negative factors and risks in its deliberations concerning the Merger Agreement and the Transactions, including the following:

Potential Conflicts of Interest. The executive officers and employees/directors of the Company may have interests in the Transactions that are different from, or in addition to, those of the Company s shareholders, as described under *The Transactions Interests of Certain Company Directors and Executive Officers* , beginning on page 74.

Industry Dynamics. 99 Restaurants operates in the most highly competitive segment of the restaurant industry (i.e., the $15 to $20 check average bar and grill segment of the casual dining space) and many competitors are seeking to make quality upgrades to their own food, which makes competition more difficult.

99 Restaurants-Specific Issues. Some negative factors exist with respect to 99 Restaurants business, notably:

- 99 Restaurants will likely need to make quality upgrades to certain menu items to keep pace with its competitors;

- 99 Restaurants has higher labor costs than some other concepts, as the state minimum wage in most of its markets exceeds the national minimum wage;

- guests in 99 Restaurants markets are price-sensitive, and the Company may find it difficult to institute price increases; and

- a past expansion attempt at 99 Restaurants outside of the New England market was not successful.

Restrictions on Soliciting Proposals; Termination Fee. The restrictions in the Merger Agreement on the active solicitation of competing proposals and the requirement, under the Merger Agreement, that

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the Company pay, if the Merger Agreement is terminated in certain circumstances, a termination fee of $4.0 million, which fee may deter third parties from making a competing offer to the Company prior to the consummation of the Transactions and could impact the Company s ability to engage in another transaction for up to one year if the Merger Agreement is terminated in certain circumstances.

Appraisal Rights. The Company s shareholders are not entitled to assert dissenters rights in connection with the Merger under the TBCA so long as Current Common Stock remains listed on the NYSE prior to the Effective Time.

Effect of Failure to Complete Transactions. If the Transactions are not consummated, the trading price of Current Common Stock could be adversely affected, the Company will have incurred significant transaction and opportunity costs attempting to consummate the Transactions, the Company may have lost guests, suppliers, business partners and/or employees after the announcement of the Merger Agreement, the market s perceptions of the Company s prospects could be adversely affected and the Company s directors, officers and other employees will have expended considerable time and effort to consummate the Transactions in lieu of other more beneficial activity.

Interim Restrictions on Business. The restrictions in the Merger Agreement on the conduct of the Company s business prior to the consummation of the Transactions, which, among other limitations, require the Company to operate its business in the ordinary course, other than with the consent of 99 Restaurants, may delay or prevent the Company from undertaking business opportunities that could arise prior to the consummation of the Transactions.

The foregoing discussion of information and factors considered by the Board is not intended to be exhaustive. In light of the variety of factors considered in connection with its evaluation of the Merger Agreement and the Transactions, the Board did not find it practicable to, and did not, quantify or otherwise assign relative weights to the specific factors considered in reaching its determinations and recommendations. Rather, the Board viewed its determinations and recommendations as being based on the totality of information and factors presented to and considered by the Board. Moreover, each member of the Board applied his own personal business judgment to the process and may have given different weight to different factors.

After consideration, the Board has unanimously determined that the terms of the Merger are advisable, fair to, and in the best interest of the Company and its shareholders, and recommends, subject to the ability of the Board to make a Recommendation Withdrawal (as defined in the Merger Agreement) pursuant to and in accordance with the terms of the Merger Agreement, that the shareholders of the Company approve the Transactions and adopt the Merger Agreement.

ACCORDINGLY, THE BOARD RECOMMENDS, SUBJECT TO THE ABILITY OF THE BOARD TO MAKE A RECOMMENDATION WITHDRAWAL (AS DEFINED IN THE MERGER AGREEMENT) PURSUANT TO AND IN ACCORDANCE WITH THE MERGER AGREEMENT, THAT COMPANY SHAREHOLDERS VOTE: FOR THE PROPOSAL TO APPROVE THE MERGER AGREEMENT, FOR THE PROPOSAL THAT THE TRANSACTIONS BE APPROVED BY DISINTERESTED SHAREHOLDERS ACTION PURSUANT TO SECTION 48-18-704 OF THE TBCA, FOR THE PROPOSAL TO APPROVE THE RECLASSIFICATION AMENDMENT, FOR THE PROPOSAL TO APPROVE THE AUTHORIZED

SHARES AMENDMENT, FOR THE PROPOSAL TO APPROVE THE CSAA CHARTER AMENDMENT, AND FOR THE PROPOSAL TO ADJOURN THE SPECIAL MEETING, IF NECESSARY OR ADVISABLE, TO SOLICIT ADDITIONAL PROXIES TO APPROVE THE OTHER PROPOSALS TO BE SUBMITTED FOR A VOTE AT THE SPECIAL MEETING.

Certain Financial Projections

The Company does not as a matter of course make public its annual forecasts, nor does it make long-term projections as to future revenues, earnings or other results due to, among other reasons, the uncertainty of the underlying assumptions and estimates. However, in connection with the review of the Transactions, the Company s management prepared certain internal financial projections regarding the Company s and 99 Restaurants anticipated future operations, as well as estimated cost synergies arising in connection with the Transactions. The Company is including a subset of these financial projections to provide its shareholders access to certain information that was made available to the Board and Stephens in July 2017. However, such financial projections are not being included in this proxy statement to influence a shareholder s decision whether to vote such holder s shares for the Merger Agreement, the Transactions or otherwise solicit any proxy with respect to any proposal that is the subject of this proxy statement.

The financial projections provided to the Board and Stephens were based on (i) management s 2017 budget and represented management s reasonable estimates and good faith judgments as to the financial performance of the Company over a five-year period, and included projected estimates of revenue, operating expenses, earnings per share (EPS) and adjusted EPS and (ii) certain standalone projections of 99 Restaurants provided by the Sellers. The stand-alone projections regarding 99 Restaurants were subject to estimates and judgments of the Sellers regarding the financial performance of 99 Restaurants over a five-year period, which included, among other things, certain assumptions regarding operating expenses of 99 Restaurants that were formerly provided by ABRH to 99 Restaurants on a shared-services basis. Although these projections were reviewed by the Company s management, the Company s management is not positioned as favorably to evaluate the reasonableness of the estimates and judgments of management of 99 Restaurants and the Sellers as it is with respect to the financial projections of the Company.

The Company s and 99 Restaurants internal financial projections are, in general, prepared solely for internal use, capital budgeting and other management decisions and are subjective in many respects, and, thus, susceptible to multiple interpretations and periodic revisions based on actual experience and business developments. The financial projections set forth below were prepared by the Company s management in July 2017, based solely on information available at that time (including certain standalone projections of 99 Restaurants provided by the Sellers). The financial projections were not prepared with a view toward public disclosure, and the inclusion of this information should not be regarded as an indication that any of the Company, 99 Restaurants, their respective representatives or any other recipient of this information considered, or now considers, it to be necessarily predictive of actual future results, nor should this information be relied on as such. None of the Company, 99 Restaurants, Stephens, or their respective affiliates assumes any responsibility for the accuracy of this information.

The financial projections, in general, were prepared solely for internal use and are subjective in many respects and thus subject to interpretation. While presented with numeric specificity, the financial projections are unaudited and reflect numerous judgments, estimates, variables and assumptions with respect to industry performance, general business, economic, regulatory, legal, market and financial conditions, as well as matters specific to the Company s and 99 Restaurants businesses, which are inherently uncertain and many of which are beyond the control of the Company or 99 Restaurants. The financial projections also reflect assumptions as to certain business decisions which are subject to change. As a result, there can be no assurance that the projected results will be realized or that actual results will not be significantly higher or lower than estimated. Since the financial projections cover multiple years, such information by its nature becomes subject to greater uncertainty with each successive year. The Company s shareholders are urged to review the Company s most recent filings with the Commission for a description of risk factors with respect to its business and the sections titled *Risk Factors* and *Cautionary Statement on Forward-Looking Statements* beginning on page 30 and 40, respectively, of this proxy statement for a description of risk factors with respect to 99 Restaurants and the Transactions. The financial projections set forth below were provided to Stephens for use in connection with its financial analysis and fairness opinion relating to the Transactions.

The financial projections were not prepared with a view toward complying with GAAP, the published guidelines of the Commission regarding projections or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. Neither the Company s

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independent registered public accounting firm, nor any other independent accountants, have audited, compiled, examined or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the financial projections. Furthermore, the financial projections do not take into account any circumstances or events occurring after the date they were prepared, including the announcement of the Transactions. All amounts are estimated and rounded.

The following tables present summary financial projections for the fiscal years ending 2017 through 2021:

		For the Projected Fiscal Year Ended			
(Dollars in Millions)	**Combined 2017E**	**2018E**	**2019E**	**2020E**	**2021E**
Revenues[a]:					
The Company	$ 238.5	$ 255.9	$ 279.5	$ 306.0	$ 333.0
99 Restaurants	313.1[b]	317.1	330.4	343.2	356.4
Combined Revenue	**$ 551.7**	**$ 573.0**	**$ 609.9**	**$ 649.2**	**$ 689.4**
Growth		3.9%	6.4%	6.4%	6.2%
Operating Income	**$ 27.2**	**$ 33.2**	**$ 41.4**	**$ 48.3**	**$ 55.5**
Transaction Adjustments:					
The Company - Black Knight Non-Cash Profits Interest Plan Expense		$ 1.9	$	$	$
The Company - Non-Cash Stock Compensation Expense		0.7	0.7	0.3	
The Company - Black Knight Management Fee		1.0	1.1	1.2	1.4
99 Restaurants - Cost Synergies		1.2	1.2	1.2	1.2
99 Restaurants - Non-Cash Cost Synergies		0.9	0.9	0.9	1.0
Combined Operating Income[c]		**$ 38.9**	**$ 45.3**	**$ 52.1**	**$ 59.1**
Combined Interest Expense		1.1	0.9	0.7	0.5
Combined Income Before Taxes[c]		$ 37.8	$ 44.4	$ 51.4	$ 58.6
Taxes		8.3	9.8	11.3	12.9
Combined Net Income[c]		**$ 29.5**	**$ 34.6**	**$ 40.1**	**$ 45.7**
The Company - Standalone Fully Diluted Shares Outstanding		14.7	14.7	14.7	14.7
Combined Fully Diluted Shares Outstanding[d]		32.0	32.0	32.0	32.0
The Company - Standalone GAAP EPS		$ 0.73	$ 0.99	$ 1.18	$ 1.38
The Company - Combined GAAP EPS		$ 0.92	$ 1.08	$ 1.25	$ 1.43
Projected EPS Accretion -$		$ 0.20	$ 0.09	$ 0.07	$ 0.05
Projected EPS Accretion / (Dilution) -%		27.0%	9.5%	6.1%	3.6%

a The Company believes Net Sales is the most directly comparable GAAP financial measure to Revenues as included in management summary projected financial information. However, because Company management did not forecast Net Sales or certain financial measures necessary to reconcile the non-GAAP financial measure Revenues to the GAAP-based financial measure Net Sales, the Company is unable to provide a quantitative reconciliation of Revenues to projected Net Sales. No reconciliation of Revenues was provided by management to Stephens. The financial measure that would be required to reconcile Revenues to Net Sales includes, among other measures, projected complimentary meals, employee discounts, and projected gift card breakage (i.e., reductions in liabilities for gift cards which, although they do not expire, are considered to be only remotely likely to be redeemed and for which there is no legal obligation to remit balances under unclaimed property laws of the relevant jurisdictions). In order to provide an appropriate reconciliation of Revenues, Company Management would be required to make additional assumptions and projection analyses of factors that management did not take into account when preparing the summary projected financial information. Because the absence of these additional forecasts prevents the Company from reconciling Revenues to Net Sales, shareholders should not unduly rely on projected Revenues in evaluating the summary projected financial information.

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b Financial projections of 99 Restaurants for the 2017E period reflect a 53-week year. For a discussion of applicable fiscal year measurements for 99 Restaurants, see page 121 of this proxy statement in the section entitled *99 Restaurants Management s Discussion and Analysis of Financial Condition and Results of Operations*.

c Non-recurring transaction costs and expenses associated with the transition services agreement for the anticipated six-to-twelve month transition period following the Closing are not reflected herein.

d Includes 16.3 million shares issued to 99 Restaurants, 533,000 shares issuable for vested options and exchange of management profits interest and assumed 406,000 shares issued related to exchange of BKAS profits interest units.

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Historical and Projected Adjusted EBITDA and Free Cash Flow and Non-GAAP Reconciliations

The Company s management uses the non-GAAP financial measure Adjusted EBITDA to evaluate operating performance and the effectiveness of its business strategies. The Company defines Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization, or Adjusted EBITDA, as net income (loss) before interest expense, income tax expense (benefit), depreciation and amortization, and adding asset impairment charges and restaurant closing costs, loss on disposals of fixed assets, transaction and integration costs, non-cash compensation, loss from discontinued operations, gain on debt extinguishment and pre-opening costs. Adjusted EBITDA is a non-GAAP financial measure that the Company believes is useful to investors because it provides information regarding certain financial and business trends relating to the Company s operating results and excludes certain items that are not indicative of the Company s operations. Adjusted EBITDA does not fully consider the impact of investing or financing transactions as it specifically excludes depreciation and interest charges, which should also be considered in the overall evaluation of the Company s results of operations. Adjusted EBITDA should not be assessed in isolation from, or construed as a substitute for, net income or other measures presented in accordance with GAAP. Free Cash Flow, or earnings before interest expense, income tax expense (benefit), and depreciation and amortization, or EBITDA , minus capital expenditures, as set forth below, was estimated for use in the Stephens analysis. It should be noted that the combined EBITDA figures below include the elimination of costs related to the BKAS Consulting Agreement and outstanding stock options as well as synergies expected to be realized as a result of the Transactions. The EBITDA figures set forth below for the Company and 99 Restaurants do not seperately reflect these adjustments.

(Dollars in Millions)	**For the Projected Fiscal Year**			
	2018E	**2019E**	**2020E**	**2021E**
Combined Net Income	**$ 29.5**	**$ 34.6**	**$ 40.1**	**$ 45.7**
(+) Combined Taxes Payable	8.3	9.8	11.3	12.9
(+) Combined Interest Expense	1.1	0.9	0.7	0.5
(+) The Company Depreciation and Amortization	11.2	12.4	13.6	14.9
(+) 99 Restaurants Depreciation and Amortization	10.8	9.9	9.3	8.5
(+) 99 Restaurants Non-Cash Corporate Allocation Expense	1.2	1.2	1.3	1.3
(-) Non-Cash Synergies	(0.9)	(0.9)	(0.9)	(1.0)
Combined EBITDA	**$ 61.1**	**$ 67.9**	**$ 75.3**	**$ 82.8**
(+) The Company - Asset Impairment/Restaurant Closing	0.4	0.5	0.5	0.5
(+) The Company - Loss on Disposals of Fixed Assets	0.3	0.3	0.3	0.3
(+) The Company - Non-cash Deferred Compensation	0.1	0.1	0.1	0.1
(+) The Company - Pre-Opening Costs	2.0	2.7	2.7	2.7
(+) 99 Restaurants - Pre-Opening Expenses	0.5	0.5	0.5	0.5
Combined Adjusted EBITDA	**$ 64.5**	**$ 71.9**	**$ 79.4**	**$ 86.9**
Free Cash Flow Calculations				
99 Restaurants EBITDA	$ 31.0	$ 33.6	$ 36.4	$ 39.1
(-) Capital Expenditures	(7.1)	(7.1)	(7.2)	(7.2)
99 Restaurants Free Cash Flow	**23.9**	**26.4**	**29.2**	**31.9**

Company EBITDA	25.4	31.4	36.2	41.1
(-) Capital Expenditures	(20.1)	(24.4)	(24.7)	(24.7)
Company Free Cash Flow	**5.3**	**7.0**	**11.4**	**16.4**

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In addition to certain financial projections, the Board and Stephens reviewed certain historical financial results of the Company and 99 Restaurants, including the following financial measures for the fiscal year 2016 and the trailing twelve month period ended June 2017, which are set forth in the following tables (figures may not sum due to rounding):

(Dollars in Millions)		Fiscal Year 2016A		Last 12 Months Ending June 2017	
Company					
	Revenue	**$**	**222.8**	**$**	**230.2**
	Net Income	**$**	**7.0**	**$**	**6.4**
	(+) Tax Expense	$	2.2	$	1.7
	(+) Interest Expense	$	0.7	$	0.7
	(+) Depreciation and Amortization	$	9.2	$	9.6
	EBITDA	**$**	**18.9**	**$**	**18.4**
	(+) Asset Impairment/Restaurant Closing	$	0.4	$	0.6
	(+) Loss on Disposals of Fixed Assets	$	0.3	$	0.2
	(+) Transaction and Integration Costs	$	0.1	$	0.5
	(+) Non-Cash Deferred Compensation	$	0.2	$	0.2
	(+) Non-Cash Profits Interests Plan Expense (Management and BKAS) and Stock Options	$	3.0	$	3.9
	(+) Pre-Opening Costs	$	1.4	$	1.9
	Adjusted EBITDA	**$**	**24.3**	**$**	**25.7**
99 Restaurants					
	Revenue	**$**	**304.0**	**$**	**304.7**
	Net Income	**$**	**17.2**	**$**	**16.0**
	(+) Depreciation and Amortization	$	10.8	$	11.7
	(+) Non-Cash Corporate Allocation Expense	$	1.3	$	1.2
	EBITDA	**$**	**29.3**	**$**	**28.9**
	Pre-Opening Expenses	$	0.8	$	0.2
	Adjusted EBITDA	**$**	**30.1**	**$**	**29.2**
Combined					
	Revenue	**$**	**526.7**	**$**	**534.9**
	Net Income	**$**	**24.2**	**$**	**22.4**
	(+) Company Tax Expense	$	2.2	$	1.7
	(+) Company Interest Expense	$	0.7	$	0.7
	(+) Combined Depreciation and Amortization	$	20.0	$	21.3

(+) 99 Restaurants Non-Cash Corporate Allocation Expense	$	1.3	$	1.2
EBITDA	**$**	**48.2**	**$**	**47.3**
(+) Company Asset Impairment/Restaurant Closing	$	0.4	$	0.6
(+) Company Loss on Disposals of Fixed Assets	$	0.3	$	0.2
(+) Company Transaction and Integration Costs	$	0.1	$	0.5
(+) Company Non-Cash Deferred Compensation	$	0.2	$	0.2
(+) Company Non-Cash Profits Interests Plan Expense (Management and BKAS) and Stock Options	$	3.0	$	3.9
(+) Combined Pre-Opening Costs / Expenses	$	2.2	$	2.1
Adjusted EBITDA	**$**	**54.4**	**$**	**54.9**

Readers should note that the information set forth above reflects financial results of 99 Restaurants made available to the Board and Stephens prior to issuance of the 99 Restaurants Audited Consolidated Financial Statements. As a result, certain items set forth above do not reflect certain accounting adjustments related primarily to depreciation and non-cash rent that are reflected in the Audited Consolidated Financial Statements set forth as an attachment to this proxy beginning on Page F-1.

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Opinion of Stephens Inc.

The Board engaged Stephens to provide an opinion on the fairness, from a financial point of view, of the proposed merger of the Company and 99 Restaurants. On August 3, 2017, Stephens rendered its oral opinion to the Company Board of Directors, which was subsequently confirmed in writing by delivery of Stephens written opinion dated the same date, based upon and subject to the assumptions, limitations and qualifications contained in its opinion, and other matters Stephens considers relevant. The full text of Stephens s written opinion is attached as Appendix C to this proxy statement and is incorporated herein by reference. The Company shareholders are urged to read the opinion in its entirety for a description of the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by Stephens. The description of the opinion set forth herein is qualified in its entirety by reference to the full text of such opinion. **Stephens has approved the inclusion and summary of its opinion in this proxy statement.**

Stephens opinion speaks only as of the date of the opinion and addresses only the fairness, from a financial point of view, of the Transactions on the terms set forth in the Merger Agreement in the form provided to Stephens. Stephens opinion does not address the merits of the underlying decision by the Company to enter into the Merger Agreement, the merits of the Transactions as compared to other alternatives potentially available to the Company or the relative effects of any alternative transaction in which the Company might engage, nor is it intended to be a recommendation to any person as to how to vote on the proposal to approve the Transaction. Stephens fairness opinion committee approved the issuance of Stephens opinion.

Stephens has relied on the accuracy and completeness of the information and financial data provided to Stephens by the Company and of the other information reviewed by Stephens in connection with the preparation of Stephens opinion, and its opinion is based upon such information. Stephens has not independently verified the accuracy or completeness of the information and financial data on which Stephens opinion is based. Members of the Company management team have assured Stephens that they are not aware of any relevant information that has been omitted or remains undisclosed to Stephens. Stephens has not assumed any responsibility for making or undertaking an independent evaluation or appraisal of any of the assets or liabilities of the Company or 99 Restaurants; Stephens has not been furnished with any such evaluations or appraisals; nor has Stephens evaluated the solvency or fair value of the Company or 99 Restaurants under any laws relating to bankruptcy, insolvency or similar matters. Stephens has not assumed any obligation to conduct any physical inspection of the properties or facilities of the Company or 99 Restaurants. With respect to the financial forecasts prepared by the management of the Company, Stephens has assumed that such financial forecasts have been reasonably prepared and reflect the best currently available estimates and judgments of the management of the Company as to the future financial performance of the Company and 99 Restaurants. Stephens has also assumed that the representations and warranties contained in the Merger Agreement and all related documents including the disclosure schedules provided to the Company, are true, correct and complete in all material respects.

For purposes of rendering its opinion, Stephens assumed that, in all respects material to its analyses:

- the Transactions will be completed substantially in accordance with the terms set forth in the Merger Agreement with no adjustments;

the representations and warranties of each party in the Merger Agreement and in all related documents and instruments referred to in the Merger Agreement are true and correct;

each party to the Merger Agreement and all related documents will perform all of the covenants and agreements required to be performed by such party under such documents;

all conditions to the completion of the acquisition will be satisfied without any waiver; and

in the course of obtaining the necessary regulatory, contractual, or other consents or approvals for the acquisition, no restrictions, including any divestiture requirements, termination or other payments or amendments or modifications, will be imposed that will have a material adverse effect on the future

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results of operations or financial condition of the combined entity or the contemplated benefits of the Transaction, including the cost savings and related expenses expected to result from the Transaction.

Stephens opinion is necessarily based upon market, economic and other conditions as they existed and can be evaluated on, and on the information made available to Stephens as of the date of the opinion. It should be understood that subsequent developments may affect the opinion and that Stephens does not have any obligation to update, revise or reaffirm its opinion. Accordingly, these analyses and estimates are inherently subject to substantial uncertainty. In addition, the Stephens opinion was among several factors taken into consideration by the Company Board of Directors in making its determination to approve the Transactions. Consequently, the analyses described below should not be viewed as determinative of the decision of the Company Board of Directors with respect to the fairness of the consideration or with respect to its recommendations regarding the Transactions.

Financial Analyses

The following is a summary of the material financial analyses performed by Stephens in connection with the preparation of its opinion which was reviewed with, and formally presented to, the Board at a meeting held on August 3, 2017. The preparation of analyses and development of a fairness opinion is a complex analytic process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. Therefore, this summary does not purport to be a complete description of the analyses performed by Stephens or of its presentation to the Board on August 3, 2017. The order of the analyses summarized below and the results of these analyses does not represent relative importance or weight given to those analyses and Stephens drew no specific conclusions from any individual analysis, but subjectively factored its observations from all of these analyses into its qualitative assessment. The analyses summarized below include information presented in tabular format which does not constitute a complete description of the analyses. Considering the data in the tables below without considering the full narrative description of the analyses, as well as the underlying methodologies, and the assumptions, qualifications and limitations affecting each analysis, could create an incomplete view of Stephens analyses. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before August 1, 2017, and is not necessarily indicative of current market conditions.

For purposes of its analyses, Stephens used a number of financial metrics, defined as the following:

Earnings Per Share generally the amount of the relevant company s net income divided by the fully diluted share count for a specific time period. For the purposes of determining the Company s Earnings Per Share, at the direction of the Company Stephens assumed 14,745,000 fully diluted shares outstanding, 533,000 shares related to the vesting of options and management profits interest, and 406,000 shares related to shares potentially to be issued for the conversion of Black Knights Profits Interest.

EBITDA defined as net income plus taxes, interest, depreciation, non-cash items and amortization

Adjusted EBITDA eliminates the impact of non-recurring, non-operating or non-cash items, including but not limited to, stock-based compensation, pre-opening expenses, and other non-recurring charges

Free Cash Flow EBITDA less capital expenditures

Unlevered Free Cash Flow earnings before interest, after taxes, plus depreciation, plus amortization, less pre-opening expenses, less capital expenditures, less investment in working capital

Enterprise Value the value as of a specified date of the relevant company s outstanding equity securities (taking into account outstanding options and other securities convertible, exercisable or exchangeable into or for equity securities of the company) plus the value as of such date of its net debt (the face amount of total debt and preferred stock and book value of non-controlling interests less the amount of cash and cash equivalents) as reflected on its most recent publicly available balance sheet. With respect to the Company, such information is from its balance sheet as of July 2, 2017 and with respect to 99 Restaurants from its balance sheet as of June 11, 2017.

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Equity Value the value as of a specified date of the relevant company s outstanding equity securities (taking into account outstanding options and other securities convertible, exercisable or exchangeable into or for equity securities of the company)

Unless the context indicates otherwise, for the financial analyses described below (i) Enterprise Values used in the selected companies analyses described below were calculated using the market price of the common stock of the selected companies listed below as of August 1, 2017, (ii) the relevant values for the selected transactions analysis described below were calculated on an Enterprise Value basis based on the merger consideration proposed to be paid in the selected transactions, (iii) the estimates of the future financial performance for the selected companies listed below were based on certain publicly available research analyst estimates for those companies, and (iv) the estimates of the future financial performance of the Company and 99 Restaurants were based on projections and estimates provided by the Company.

Selected Public Companies Analysis.

Stephens reviewed certain financial data for selected companies with publicly traded equity securities that Stephens deemed were similar to the Company s and 99 Restaurants business in one or more respects and relevant to its analysis. The companies chosen included those that operated full service restaurants with a substantial portion of the locations operated under a company-owned model, but excluded companies with significantly lower EBITDA or average check sizes than the Company or 99 Restaurants. While no other companies have the same financial and operating characteristics as the Company or 99 Restaurants, the companies selected for this analysis by Stephens have some financial or operating characteristics similar to those of the Company and 99 Restaurants. No company used for comparison is identical to the Company or 99 Restaurants, and no company was weighted more heavily in Stephens analysis than another.

The financial data reviewed included the Enterprise Value as a multiple of estimated Adjusted EBITDA for the last twelve months as of June 2017, and of projected Adjusted EBITDA for calendar year end December 2017.

The selected public companies included in this analysis and the relevant multiples were:

	Multiple of:	
Company	**Enterprise Value / Last Twelve Months Adjusted EBITDA as of June 2017**	**Enterprise Value / Projected Twelve Months Adjusted EBITDA for Calendar Year Ended December 2017**
BJ s Restaurants, Inc.	6.6x	7.2x
Bloomin Brands, Inc.	6.3x	6.1x
Bravo Brio Restaurant Group, Inc.	4.2x	3.4x
Darden Restaurants, Inc.	11.6x	11.0x

Del Frisco s Restaurant Group, Inc.	6.6x	6.9x
Fogo de Chao, Inc.	11.1x	7.7x
J. Alexander s Holdings, Inc.	6.8x	6.5x
Ruth s Hospitality Group, Inc.	9.9x	9.2x
The Cheesecake Factory Incorporated	7.3x	7.4x
Max	**11.6x**	**11.0x**
Min	**4.2x**	**3.4x**
Mean	**7.8x**	**7.3x**
Median	**6.8x**	**7.2x**

Utilizing what Stephens believed, based on its professional judgment, to be a representative multiple range of the selected public companies, Stephens then calculated a range of the implied 99 Restaurants Equity Values and the implied Company s Equity Values based on 99 Restaurants and the Company s estimated Adjusted EBITDA for

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the last twelve months as of second quarter 2017 and projected Adjusted EBITDA for calendar year end December 2017, respectively.

Metric	Mean	Median	Max	Min
Enterprise Value / last twelve months Adjusted EBITDA	7.8x	6.8x	11.6x	4.2x
Enterprise Value / calendar year 2017 Adjusted EBITDA	7.3x	7.2x	11.0x	3.4x

99 Restaurants Implied Equity Value	
Enterprise Value / last twelve months Adjusted EBITDA	6.0x to 8.0x
Enterprise Value / calendar year 2017 Adjusted EBITDA	5.5x to 7.5x

Company Implied Equity Value Metric	
Enterprise Value / last twelve months Adjusted EBITDA	6.5x to 8.5x
Enterprise Value / calendar year 2017 Adjusted EBITDA	6.0x to 8.0x

Stephens calculated a range of implied Equity Values for 99 Restaurants and the Company based on this analysis as shown below:

Metric	99 Restaurants Equity Values
Enterprise Value / last twelve months Adjusted EBITDA	$155 million to $213 million
Enterprise Value / calendar year 2017 Adjusted EBITDA	$ 147 million to $207 million

Metric	99 Restaurants Equity Values (including cash synergies)(a)
Enterprise Value / last twelve months Adjusted EBITDA	$ 162 million to $223 million
Enterprise Value / calendar year 2017 Adjusted EBITDA	$ 153 million to $216 million

Metric	Company Equity Values
Enterprise Value / last twelve months Adjusted EBITDA	$146 million to $197 million
Enterprise Value / calendar year 2017 Adjusted EBITDA	$138 million to $191 million

(a) Cash synergies estimated to be $1.2 million annually, as identified by the Company.

Stephens noted that the implied Equity Value of the transaction price to be paid by the Company for 99 Restaurants was within the range of the implied Equity Values for 99 Restaurants based on this analysis, both with and without the consideration of potential cash synergies.

Selected Comparable Transactions Analysis.

Stephens reviewed selected financial terms of certain transactions involving target companies that Stephens deemed similar to the business models of the Company and 99 Restaurants in one or more respects and relevant to its analysis.

While no other companies have the same financial and operating characteristics as the Company or 99 Restaurants, the transactions selected for this analysis by Stephens involved companies that have some financial or operating characteristics similar to those of the Company and 99 Restaurants. No company whose

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transactions were used for comparison is identical to the Company or 99 Restaurants, and no company or transaction was weighted more heavily in Stephens analyses than another, except that the transaction at the upper end of the range was excluded for conservatism in the analysis on the basis that the valuation in that transaction appeared to be in Stephens judgment an outlier on the high side.

The financial data reviewed included Enterprise Value of the target reflected in the transaction value as a multiple of the Adjusted EBITDA for the last twelve months prior to the announcement of the applicable transaction for which data was publicly available.

The selected transactions and the relevant multiples were:

Date Announced	Acquiror	Target	Multiple of Enterprise Value/ Adjusted EBITDA for the last twelve months prior to the announcement
5/22/12	Angelo Gordon & Co.	Benihana, Inc.	9.7x
7/12/12	Darden Restaurants, Inc.	Yard House USA, Inc.	15.0x
6/4/13	Landry s, Inc.	Mastro s Restaurants, LLC	9.9x
5/15/14	Golden Gate Capital	Red Lobster business	9.2x
9/29/14	JAB Beech, Inc.	Einstein Noah Restaurant Group, Inc.	10.5x
5/21/15	FRI Holding Company, LLC	Frisch s Restaurants, Inc.	6.8x
1/24/17	Golden Gate Capital	Bob Evans Restaurants business	10.1x
3/27/17	Darden Restaurants, Inc.	Cheddar s Restaurant Holding Corp.	10.4x
Max			15.0x
Min			6.8x
Mean			10.2x
Median			10.0x

Stephens applied its professional judgment and identified what it believed to be representative multiple ranges within the comparable transaction set. Utilizing these representative multiple ranges, Stephens then calculated a range of implied Equity Values for 99 Restaurants and a range of implied Equity Values for the Company based on 99 Restaurants and the Company s estimated Adjusted EBITDA for the last twelve months as of second quarter 2017.

Metric	Mean	Median	Max	Min
Enterprise Value / last twelve months Adjusted EBITDA	10.2x	10.0x	15.0x	6.8x

99 Restaurants Implied Equity Value	
Enterprise Value / last twelve months Adjusted EBITDA	6.5x to 8.5x

Company Implied Equity Value	
Enterprise Value / last twelve months Adjusted EBITDA	7.0x to 9.0x

Stephens calculated a range of implied Equity Values for 99 Restaurants and the Company based on this analysis as shown below:

Metric	99 Restaurants Equity Value
Enterprise Value / last twelve months Adjusted EBITDA	$ 170 million to $228 million

Metric	Company Equity Value
Enterprise Value / last twelve months Adjusted EBITDA	$ 159 million to $210 million

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Stephens noted that the implied Equity Value of the transaction price to be paid by the Company for 99 Restaurants was within the range of the implied Equity Values for 99 Restaurants based on this analysis.

Discounted Cash Flow Analysis

Stephens performed a discounted cash flow analysis of 99 Restaurants and the Company to calculate a range of Equity Values. Stephens calculated the estimated net present value of the projected unlevered free cash flows of the relevant company based on the projections provided by the Company. For purposes of the discounted cash flow analysis of 99 Restaurants, Stephens applied discount rates ranging from 10.0% to 12.0%, which reflects the weighted average after-tax cost of debt and equity capital associated with 99 Restaurants projections and terminal value multiples ranging from 6.0x to 8.0x of projected fiscal year 2021 Adjusted EBITDA. For purposes of the discounted cash flow analysis of the Company, Stephens applied discount rates ranging from 10.5% to 12.5%, which reflects the weighted average after-tax cost of debt and equity capital associated with the Company s projections and terminal value multiples ranging from 6.5x to 8.5x of projected fiscal year 2021 Adjusted EBITDA.

Stephens calculated a range of implied Equity Values for 99 Restaurants and the Company based on this analysis as shown below:

	99 Restaurants Equity Values
Discounted Cash Flow	$195 million to $263 million
Discounted Cash Flow (with cash synergies)	$203 million to $273 million(a)
	Company Equity Value
Discounted Cash Flow	$ 180 million to $255 million

(a) Cash synergies estimated to be $1.2 million annually, as identified by the Company.

Stephens noted that the implied Equity Value of the transaction price to be paid by the Company for 99 Restaurants was below the range of the implied Equity Values for 99 Restaurants based on this analysis, both with and without the consideration of cash synergies.

Leveraged Buy-Out Analysis

Stephens performed a leveraged buy-out analysis of the Company and 99 Restaurants to calculate a range of Equity Values that a typical private equity investor might pay to achieve an internal rate of return of 20.0% to 25.0% assuming market leverage levels and exit multiples on projected fiscal year 2021 Adjusted EBITDA of 6.0x to 8.0x for 99 Restaurants and 6.5x to 8.5x for the Company.

Stephens calculated a range of implied Equity Values for 99 Restaurants and the Company based on this analysis as shown below:

99 Restaurants Equity Value

Leveraged Buy-Out	$ 161 million to $208 million

	Company Equity Value
Leveraged Buy-Out	$ 150 million to $206 million

Stephens noted that the implied Equity Value of the transaction price to be paid by the Company for 99 Restaurants was within the range of the implied Equity Values for 99 Restaurants based on this analysis.

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Contribution Analysis

Stephens analyzed the relative contribution of the Company and 99 Restaurants to the proposed combined entity using revenue, Adjusted EBITDA and EBITDA (excluding the impact of any potential cost savings or synergies) for 2016, the last twelve months as of second quarter 2017, and the projected fiscal year end 2017 to 2021. The Company s relative contribution represented a range of 42.3% to 48.3% of total revenue, 44.7% to 53.1% of total Adjusted EBITDA and 38.9% to 51.3% of total EBITDA. Below is a chart reflecting the revenue and earnings assumptions provided to Stephens by the Company.

	Contribution (%)	
	Company	**99 Restaurants**
Revenue		
2016A	42.3%	57.7%
LTM as of 2Q2017	43.0%	57.0%
2017E	43.2%	56.8%
2018E	44.7%	55.3%
2019E	45.8%	54.2%
2020E	47.1%	52.9%
2021E	48.3%	51.7%
Adjusted EBITDA		
2016A	44.7%	55.3%
LTM as of 2Q2017	46.9%	53.1%
2017E	46.7%	53.3%
2018E	49.5%	50.5%
2019E	51.1%	48.9%
2020E	52.1%	47.9%
2021E	53.1%	46.9%
EBITDA		
2016A	39.3%	60.7%
LTM as of 2Q2017	38.9%	61.1%
2017E	40.0%	60.0%
2018E	45.0%	55.0%
2019E	48.3%	51.7%
2020E	49.9%	50.1%
2021E	51.3%	48.7%

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Stephens also analyzed the relative contribution of each of the Company and 99 Restaurants based on the mid-point of the standalone valuation ranges of each business and excluding the impact of any potential cost savings or synergies. Stephens compared the midpoint of the standalone valuation ranges generated by looking at the valuations for the Company and 99 Restaurants based on analyses using selected public companies, selected comparable transactions, discounted cash flows and leveraged buy-outs. The Company represented 48.1% to 49.1% of the total valuation generated by comparing the mid-points of these analyses. Below is a chart reflecting the valuation ranges described above and showing the valuation contribution percentages at the mid-points of each of five methods analyzing relative valuation.

	Standalone Valuation Range						Relative Valuation Based on Midpoint of Standalone Valuation Range	
	Company Valuation			99 Restaurants Valuation				
($ in millions)	Low	High	Midpoint	Low	High	Midpoint	Company	99 Restaurants
Selected Public Company Analysis								
Enterprise Value/ Last twelve months Adjusted EBITDA	$ 146	$ 197	$ 172	$ 155	$ 213	$ 184	48.2%	51.8%
Enterprise Value/ fiscal year 2017 Adjusted EBITDA	$ 138	$ 191	$ 164	$ 147	$ 207	$ 177	48.2%	51.8%
Selected Comparable Transactions Analysis	$ 159	$ 210	$ 184	$ 170	$ 228	$ 199	48.1%	51.9%
Discounted Cash Flow Analysis	$ 180	$ 255	$ 217	$ 195	$ 263	$ 229	48.7%	51.3%
Leveraged Buy- Out Analysis	$ 150	$ 206	$ 178	$ 161	$ 208	$ 184	49.1%	50.9%

Stephens compared the ranges in the Contribution analyses to the implied ownership of the Company s shareholders pro forma for the Transaction which was calculated at 48.4%, and the ownership of 99 Restaurants owners pro forma for the transaction which was calculated as 51.6% based on share counts provided to Stephens by the Company of 14,745,000 fully diluted shares outstanding, 533,000 shares issued related to the vesting of options and management profits interest, and 16,300,000 shares issued to the owners of 99 Restaurants.

Transaction Consequences

Stephens analyzed the impact of the Transactions on the earnings per share and free cash flow per share of the Company, with and without the impact of potential cost savings or synergies. On an earnings per share basis, the Transactions are estimated to be 20.1% to 27.0% accretive in fiscal year 2018 and 4.3% to 9.5% accretive in fiscal year 2019. On a Free Cash Flow basis the Transactions are estimated to be 185.9% to 196.1% accretive in fiscal year 2018, and 132.2% to 140.1% accretive in fiscal year 2019.

Stephens is a nationally recognized investment banking firm, with headquarters in Little Rock, Arkansas, and with significant experience in the restaurant industry. The Company retained Stephens based upon its experience and its knowledge of the restaurant industry. As part of Stephens investment banking business, Stephens regularly issues fairness opinions and is continually engaged in the valuation of companies and their securities in connection with business reorganizations, private placements, negotiated underwritings, mergers and acquisitions and valuations for estate, corporate and other purposes. Stephens expects to pursue future investment banking services assignments from the Company. In the ordinary course of business, Stephens and its affiliates at any time may hold long or short positions, and may trade or otherwise effect transactions as principal or for the accounts of customers, in debt or equity securities or options on securities of the Company or of any other participant in the acquisition.

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Stephens has acted exclusively for the Board of Directors of the Company in rendering its financial fairness opinion in connection with the Transactions and has received a fee of $1.25 million from the Company for its services. The Company is also obligated to reimburse Stephens for reasonable out-of-pocket expenses and disbursements, and to indemnify against certain liabilities, including liabilities under federal securities laws and liabilities that could arise from the issuance of its opinion. Stephens is familiar with the Company and 99 Restaurants and regularly provides investment banking services to the Company and issues periodic research reports regarding the Company s business activities and prospects and Stephens expects to provide similar services in the future. Stephens has received fees for providing investment banking services to the Company, or related entities, within the past two years and Stephens may also receive fees for future services. During the two years preceding the date of its opinion letter, Stephens advised the predecessor of the Company regarding its Spin-off from FNFV, and received fees from the Company of $750,000 plus expense reimbursement. Prior to this time, Stephens provided services in 2014 to the Company and its then-owners in connection with a proposed initial public offering of stock of the Company, for which the Company provided expense reimbursement. None of FNF, FNH, FNFV or their subsidiaries, including ABRH and 99 Restaurants, paid fees to Stephens in the last two years or in connection with the Transactions.

Interests of Certain Company Directors and Executive Officers

Under Section 48-18-704 of the TBCA, the Company is required to disclose to its shareholders (i) the existence and nature of the applicable director s or officer s conflicting interests in the Transactions, and (ii) all facts known to the director or officer respecting the Transactions that a director or officer free of such conflicting interest would reasonably believe to be material in deciding whether to proceed with the Transactions.

When considering the recommendation of the Board that the Company s shareholders vote in favor of the Transactions and each of the proposals in this proxy statement, you should be aware that certain Company directors and executive officers have interests in the Transactions that are different from, or in addition to, those of the Company s shareholders, generally. These interests may present such directors and executive officers with actual or potential conflicts of interest. The Board was aware of these interests during their deliberations on the merits of the Transactions and when deciding to recommend that the Company s shareholders vote to approve the Merger Agreement and the Transactions at the Special Meeting.

As a result of these potential interests, the Board determined that, in addition to any required approvals under applicable law, the Transactions should also be submitted for approval by a disinterested shareholders action pursuant to Section 48-18-704 of the TBCA. We anticipate that approximately 86% of the Current Common Stock will be deemed Qualified Shares and entitled to vote on Proposal 2. Shares held by members of the Board, our executives listed below, and certain of their affiliates and family members will not be Qualified Shares.

If the disinterested shareholders approve Proposal 2, then under Tennessee law, the Transactions may not be the subject of equitable relief, or give rise to an award of damages or other sanctions against a director or officer of the Company, in a proceeding by a shareholder or by or in the right of the Company, on the ground that any director or officer of the Company has an interest respecting the Transactions.

Set forth below are descriptions of the interests of the Company s directors and certain of its executive officers.

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Ownership Interests in Parties to Transactions

Certain of our directors and executive officers hold direct or indirect ownership interests in counterparties to the Transactions, including FNF, FNFV, FNH and BKAS. As a result, these directors and executive officers may receive certain economic benefits from the Transactions that will be different from, or in addition to, the benefits that are expected to inure to the Company s shareholders generally as a result of the Transactions. Set forth below is a table that identifies the ownership interests of our directors and executive officers in FNF, FNFV, FNH and BKAS, as applicable.

	Ownership Interest in			
Director or Officer*	FNF	FNFV	FNH	BKAS
Frank R. Martire	No	Yes (<1%)	No	No
Raymond R. Quirk	Yes (<1%)	Yes (<1%)	Yes (<1%)	No
Timothy T. Janszen	No	No	Yes (38.9%)	No
Ronald B. Maggard, Sr.	Yes (<1%)	Yes (<1%)	No	No
Douglas K. Ammerman	Yes (<1%)	Yes (<1%)	No	No
Lonnie J. Stout II	No	No	No	Yes (11.8%)

FNFV owns 55% of FNH

Beneficially held indirectly through Newport

* Goodloe Partee was corporate secretary and general counsel of the Company until September 1, 2017 at which time his role as general counsel ceased. Mr. Partee did not provide services to the Company and its subsidiaries in connection with the negotiations of the Merger Agreement and the Transactions.

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Positions of Management within Parties to Transactions

Certain of our directors and executive officers hold or previously held positions within the management teams of counterparties to the Transactions or related parties, including FNF, FNFV, FNH and BKAS, including as board members or management executives, and as a result of such positions, receive compensation payments related to the performance of those counterparties, which may include compensation payments made in connection with the Transactions. We are not aware of any specific cash payments to which any such persons may be entitled. Set forth below is a table that identifies management positions held by our directors and executive officers within the management teams of FNF, FNFV, FNH and BKAS, as applicable.

	Management Position with			
Director or Officer	FNF	FNFV / Cannae	FNH	BKAS
Frank R. Martire	n/a	Board Member	Board Member	n/a
Raymond R. Quirk	Board Member and Chief Executive Officer	n/a	n/a	n/a
Timothy T. Janszen	n/a	n/a	Board Member	n/a
Ronald B. Maggard, Sr.	n/a	n/a	Board Member	n/a
Douglas K. Ammerman	Board Member; Chair of Audit Committee	n/a	n/a	n/a
Lonnie J. Stout II	n/a	n/a	Former Board Member and Executive Vice Chairman**	Member
Goodloe Partee	Former Senior Vice President, Legal*	n/a	General Counsel	n/a

Mr. Martire serves as a board member of Cannae, the parent entity of FNFV following the completion of the Cannae Split-off on November 17, 2017.

Each of Mr. Martire and Mr. Maggard resigned as a board member of FNH, effective August 4, 2017

* Mr. Partee held the position of Senior Vice President, Legal of FNF from September 5, 2006 to August 6, 2012 and served as a non-executive consulting employee of FNF from August 6, 2012 to September 22, 2017.

** Mr. Stout served as a board member and executive vice chairman of the board of directors of FNH for an interim period ending October 10, 2017, while FNH conducted an executive search.

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Treatment of Company Equity Awards

Each of our directors and executive officers have in the past been granted stock options under our Stock Plan. Because the Transactions will constitute a change in control of the Company under the Stock Plan, outstanding stock options that remain subject to vesting will vest in connection with the Transactions and thereafter become exercisable. No cash payments will be made as a result of the vesting of previously unvested options. The table set forth below identifies the number of outstanding stock options held by each director or executive officer, the number of outstanding stock options subject to accelerated vesting as a result of the Transactions, and the applicable strike price. Note that no stock options will be cashed out at the Closing, and no option holder will otherwise receive any cash consideration in connection with these stock options. Management profits interest units, which are scheduled to become fully vested on January 1, 2018 under the original terms of the unit grant agreements, will not vest on an accelerated basis as a result of the Transactions.

	Company Stock Options		
Director or Officer	Vested as of December 20, 2017	Unvested That Will Vest As a Result of the Transactions	Strike Price ($)
Frank R. Martire	10,000	10,000	10.39
	5,000	15,000	8.90
Raymond R. Quirk	10,000	10,000	10.39
	5,000	15,000	8.90
Timothy T. Janszen[(1)]	10,000	10,000	10.39
	5,000	15,000	8.90
Ronald B. Maggard, Sr.	10,000	10,000	10.39
	5,000	15,000	8.90
Douglas K. Ammerman	10,000	10,000	10.39
	5,000	15,000	8.90
Lonnie J. Stout II	62,500	62,500	10.39
	31,250	93,750	8.90
Mark A. Parkey	27,500	27,500	10.39
	15,000	45,000	8.90
J. Michael Moore	27,500	27,500	10.39
	15,000	45,000	8.90
Jessica Root	7,500	7,500	10.39

	3,750	11,250	8.90

(1) The financial benefit of Mr. Janszen s options will accrue to Newport.

Contractual Change in Control Benefits

In addition to the vesting of their stock options, certain of our executive officers are parties to employment agreements that would provide them with certain severance payments in the event such executive officer s employment was terminated without cause or for good reason within a certain period of time following a change in control.

Each of Mr. Stout, Mr. Moore and Mr. Parkey are parties to employment agreements with the Company that address the possibility of job loss after a change in control (as defined in the respective agreements). The consummation of the Transactions will constitute a change in control under the respective agreements and therefore, in connection with a subsequent termination, could trigger the payment of the benefits described below; provided, that no terminations are contemplated as a result of the Transactions. Upon a change in control, the executive is entitled to a lump sum payment if he is terminated without cause or if he resigns for good reason (as those terms are defined in the respective agreements), in each case, within 36 months of such change in control. That lump sum is equal to a payment of: (i) 2.99 times the executive s base salary then in effect, plus (ii) 2.99 times the higher of (a) the cash bonus paid or earned but not yet paid, in respect of the previous fiscal year, or (b) the average bonus paid or earned but not yet paid, in respect of the last three fiscal years. In addition to the lump sum payment, all unvested equity incentive plan awards held by each executive

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will vest upon a termination in connection with a change in control and health insurance benefits will continue for a period of three years. For Mr. Stout, who is also party to a severance benefits agreement (which provides certain vested retirement and severance benefits upon termination of employment), the applicable severance amounts payable under Mr. Stout s employment agreement would be reduced by amounts payable under his severance benefits agreement. The employment agreements also provide for gross-up payments to an executive officer who incurs an excise tax under Section 280G of the Internal Revenue Code of 1986, as amended.

Under the employment agreements, the Company may terminate the employment of each of Mr. Stout, Mr. Moore and Mr. Parkey with cause upon the occurrence of any of the following events (after the Company has provided proper notice and given the executive officer the opportunity to remedy the condition in accordance with the procedures set forth in his respective employment agreement): (i) conviction of a felony or a crime involving misappropriation or embezzlement; (ii) willful and material wrongdoing on the part of the executive officer, including, but not limited to, acts of dishonesty or fraud, which have a material adverse effect on us or any of our subsidiaries; (iii) repeated material failure of the executive officer to follow our direction or the direction of our board of directors regarding the material duties of employment; or (iv) material breach by the executive officer of a material obligation under his employment agreement. Under the employment agreements, the executive officers may terminate their employment for good reason within two years of the occurrence of any of the following events (after the executive officers have provided proper notice and given us the opportunity to remedy the condition in accordance with the procedures set forth in his respective employment agreement): (i) a material reduction by us in the executive officer s title or position, or a material reduction by us in the executive officer s authority, duties or responsibilities (which, in the case of Mr. Stout, includes no longer serving on our board of directors) or the assignment by us to the executive officers of any duties or responsibilities that are materially inconsistent with such title, position, authority, duties or responsibilities; (ii) a material reduction in the executive officer s base salary; (iii) any material breach of the executive officer s employment agreement by us; or (iv) our requiring the executive officer to relocate his office location more than 50 miles from Nashville, Tennessee.

Each of Mr. Stout, Mr. Moore and Mr. Parkey are also parties to amended and restated salary continuation agreements with the Company that provide for annual retirement benefits payable upon termination of employment. It is not anticipated that the Transactions will have any effect on the Amended and Restated Salary Continuation Agreements or the Severance Benefits Agreement referenced above.

In the event that a termination without cause, or for good reason, occurs following the Transactions (and assuming no adjustments to current base salaries), the Company s obligations under the employment agreements, the amended and restated salary continuation agreements, and, for Mr. Stout, the severance benefits agreement, would be as set forth below:

Executive Officer	Termination by Company Without Cause or by Executive for Good Reason Following a Change in Control ($)
Lonnie J. Stout II	3,903,578(1)
Employment Agreement	
	2,557,906(2)

Salary Continuation Agreement	825,000(3)
Severance Benefits Agreement	
Mark A. Parkey	
Employment Agreement	1,434,290(1)
Salary Continuation Agreement	752,174(2)
Severance Benefits Agreement	n/a(4)
J. Michael Moore	
Employment Agreement	1,434,290(1)
Salary Continuation Agreement	769,770(2)
Severance Benefits Agreement	n/a(4)

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(1) Represents base salary (plus applicable bonus factor) x 2.99 less, for Mr. Stout, any benefits calculated under his Severance Benefits Agreement.
(2) Represents the accrued retirement benefit liability as of October 1, 2017.
(3) Represents 18 months of base salary.
(4) Messrs. Moore & Parkey do not have Severance Benefits Agreements.

Indemnification and Insurance

The Company s directors and executive officers are entitled to indemnification and insurance coverage pursuant to indemnification agreements with the Company, applicable provisions of the Charter and the Company s bylaws and a directors and officers liability insurance policy purchased by the Company. Our director and executive officer indemnification agreements will require us to indemnify these individuals to the fullest extent permitted under Tennessee law against liabilities that may arise by reason of their service to us, and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified.

Other Material Relationships

In addition to the foregoing, certain of our directors and executive officers may have other business, personal or financial relationships with persons affiliated with counterparties to the Transactions, including FNF, FNFV, FNH and BKAS, including but not limited to the relationships described below.

Douglas K. Ammerman, *Director*	Mr. Ammerman has served as a director of FNF since July 2005. He served as a director of Remy International, Inc. a former FNF affiliate.
Timothy T. Janszen, *Director*	Mr. Janszen has been the Chief Executive Officer of Newport Global Advisors, L.P., an investment management firm, since September 2005. In this capacity with Newport, he has been engaged in various co-investment opportunities with FNF, or entities controlled by FNF, including FNH, since 2009. Mr. Janzen has been a member of FNH s Board of Managers since 2009, and in that capacity has been responsible for oversight of 99 Restaurants and other restaurant concepts owned and operated by FNH. Mr. Janszen has also served as a member of ABRH s Board of Managers since 2009.
Ronald B. Maggard, Sr., *Director*	Mr. Maggard is the former Chairman of Checkers Drive-In Restaurants, Inc., until 2002, and a former director of Carl Karcher Enterprises from 2003-2004. Mr. Foley was an investor in, and served on the board of, each of these entities during the time of Mr. Maggard s service. Additionally, Mr. Maggard is a former director of FNH until August 2017.
Frank R. Martire, *Director*	Mr. Martire presently serves as Chairman of Fidelity National Information Services, Inc. (FIS), an international provider of financial technology and outsourcing services. Mr. Martire has held management positions within FIS since 2009. FIS is a former affiliate of FNF and retains certain material relationships with FNF, including common board members, including Mr. Foley. Mr. Martire serves on the board of directors of Cannae, following the completion of the Cannae Split-off on November 17, 2017. Mr. Martire is also a former director of FNH until

	August 2017.
Raymond R. Quirk, *Director*	Mr. Quirk currently serves as the Chief Executive Officer and as a director of FNF, and has held various management positions within FNF since 1985. Mr. Quirk was added to the board of directors of FNF in 2017.

Each of the foregoing interests may cause the Company s directors and executive officers to view the proposed Transactions differently and more favorably than Company shareholders generally may view them. As a result of these potential interests, the Board has determined that the Transactions, in addition to any required approvals

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under applicable law, should also be submitted for approval by a disinterested shareholders action pursuant to Section 48-18-704 of the TBCA.

Certain Relationships between the Company and the Parties to the Transactions

Relationship with FNF, FNFV and FNH

Since 2012, the Company has engaged in certain transactions involving, and has maintained certain material relationships with, FNF, FNFV, and FNH.

In 2012, FNFV acquired both JAC and O Charley s, Inc., which at that time was a publicly traded company that operated the O Charley s, Ninety Nine Restaurants and Stoney River Legendary Steaks restaurant concepts. O Charley s, Inc. was subsequently transferred to FNH. In February of 2013, FNFV contributed JAC to JAX Op, which was a newly formed, wholly owned subsidiary of FNFV. Also in February of 2013, FNH transferred the assets related to the Stoney River Legendary Steaks restaurant concept to JAX Op, thereby making JAX Op a partnership between FNFV and FNH. Stoney River was then rebranded as a J. Alexander s Holdings restaurant concept.

In the Spin-off, which was completed on September 29, 2015, FNF distributed all of its shares of the Company s common stock to holders of record of FNFV Group common stock (FNF s tracking stock related to FNFV and its subsidiary assets), as of September 22, 2015, the record date for the Spin-off.

Following the Spin-off, the Company operated as an independent, publicly-traded company, but remained party to certain Spin-off related agreements with FNF.

Agreements with FNF

In order to govern the ongoing relationships between us and FNF after the Spin-off and to facilitate an orderly transition, we and FNF entered into agreements in 2015 providing for various services and rights following the Spin-off, and under which we and FNF will indemnify each other against certain liabilities arising from our respective businesses.

Separation and Distribution Agreement

We entered into a Separation and Distribution Agreement with FNF before the Spin-off. The Separation and Distribution Agreement sets forth our agreements with FNF regarding the principal actions to be taken in connection with the Spin-off. It also sets forth other agreements that govern aspects of our relationship with FNF following the Spin-off. The Separation and Distribution Agreement identifies certain transfers of assets and assumptions of liabilities that were necessary in advance of our separation from FNF so that we and FNF retained the assets of, and the liabilities associated with, our respective businesses.

The parties agreed to use commercially reasonable efforts, on and after the date of the Spin-off, to take, or cause to be taken, all actions, and to do, or cause to be done, all things, reasonably necessary, proper or advisable under applicable laws, regulations and agreements to consummate and make effective the transactions contemplated by the Separation and Distribution Agreement and certain ancillary agreements.

In addition, the Company and FNF agreed to provide each other with information reasonably necessary to comply with reporting, disclosure, filing or other requirements of any national securities exchange or government authority, for use in judicial, regulatory, administrative and other proceedings and to satisfy audit, accounting, litigation and other similar requests. We and FNF also agreed that until the end of the first full fiscal year following the Spin-off, each party will use its commercially reasonable efforts, consistent with past practice, to assist the other party with its financial reporting and audit obligations.

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The Company and FNF each agreed to release the other and its affiliates, successors and assigns, and all persons that prior to the Spin-off had been the other s shareholders, directors, officers, agents or employees and each of the heirs, executors, trustees, administrators, successors and assigns, against any and all liabilities existing or arising in connection with the implementation of the separation of the Company and FNF. These releases are subject to exceptions set forth in the Separation and Distribution Agreement.

Finally, the Company and FNF each agreed to indemnify the other and each of the other s current, former and future directors, officers and employees, and each of the heirs, administrators, executors, successors and assigns of any of them, against certain liabilities incurred in connection with the Spin-off and our and FNF s respective businesses. The amount of either FNF s or our indemnification obligations will be reduced by any insurance proceeds the party being indemnified receives. The Separation and Distribution Agreement also specifies procedures regarding claims subject to indemnification.

Tax Matters Agreement

We also entered into a Tax Matters Agreement with FNF prior to the Spin-off that governs the respective rights, responsibilities and obligations of FNF and us after the Spin-off with respect to all tax matters (including tax liabilities, tax attributes, tax returns and tax contests).

Under the Tax Matters Agreement, and subject to the FNF Waiver described below, FNF generally is required to indemnify us for any consolidated group taxes attributable to FNF or any of its subsidiaries, any non-income taxes arising from transactions effected to consummate the separation and distribution, and, except as provided in the following paragraph, any taxes resulting from the failure of the Spin-off to qualify as a tax-free transaction.

We generally are required to indemnify FNF, subject to the FNF Waiver described below, for any taxes (other than taxes described in the preceding paragraph for which FNF is required to indemnify us) attributable to any entity that is a direct or indirect subsidiary of ours immediately prior to the distribution (or following the distribution) and against any tax resulting from (i) any representations or undertakings referred to in the Tax Matters Agreement being incorrect or violated or (ii) any event or series of events involving our capital stock to the extent that, in either case, the tax-free status of the Spin-off is negated.

The Tax Matters Agreement imposes certain restrictions on us and our subsidiaries (including restrictions on share issuances, sales of assets, engaging in certain business transactions such as the Transactions and voluntarily dissolving or liquidating) that were designed to preserve the tax-free nature of the Spin-off. These restrictions apply for the two-year period after the Spin-off.

Though valid as between the parties, the Tax Matters Agreement is not binding on the Internal Revenue Service and does not affect the several liability of FNF and us for all U.S. federal taxes of the consolidated group relating to periods before the distribution date.

In connection with the Company s negotiation of the Merger Agreement, the Company and FNF negotiated a form of FNF Waiver Agreement, which will be executed at Closing, pursuant to which FNF will (A) waive all covenants and other provisions of the Tax Matters Agreement that would prohibit or in any way purport to restrict the consummation of the Transactions in accordance with the terms of the Merger Agreement and (B) waive, on behalf of itself and the applicable indemnified parties in the Separation and Distribution Agreement and the Tax Matters Agreement, the right of FNF and any such applicable indemnified party to seek indemnification from or make claims against the Company under the Separation and Distribution Agreement or the Tax Matters Agreement arising out of any liability incurred or loss suffered by FNF or any such applicable indemnified party relating to, arising out of or resulting from the Transactions.

In addition, under the Merger Agreement, FNFV and FNH will indemnify the Company for any amount for which FNF is responsible under the Tax Matters Agreement or the Separation and Distribution Agreement arising as a result of or in connection with the Transactions.

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Management Consulting Agreement with BKAS

Prior to the Spin-off, JAX Op entered into the Consulting Agreement with BKAS pursuant to which BKAS would provide corporate and strategic advisory services to us.

As compensation for services rendered to us under the Consulting Agreement, on October 6, 2015, JAX Op issued BKAS 1,500,024 profits interest units representing an amount equal to 8.7% of the outstanding units of JAX Op. In addition, we agreed to pay to BKAS an annual fee equal to 3.0% of our Adjusted EBITDA (calculated pursuant to the Consulting Agreement) for each fiscal year during the term of the Consulting Agreement. We also agreed to reimburse BKAS for its direct out-of-pocket costs incurred for management services provided to us. Under the Consulting Agreement, Adjusted EBITDA means the Company s net income (loss) before interest expense, income tax (expense) benefit, depreciation and amortization, and adding asset impairment charges and restaurant closing costs, loss on disposals of fixed assets, transaction and integration costs, non-cash compensation, loss from discontinued operations, gain on debt extinguishment, pre-opening costs and certain unusual items.

Each Class B Unit represents a non-voting equity interest in JAX Op that entitles the holder thereof to a percentage of the profits and appreciation in the equity value of JAX Op arising after the date of grant. BKAS will only participate in distributions by JAX Op following such time as a specified hurdle amount has been previously distributed to holders of Class A Units of JAX Op (i.e., the Company and its wholly-owned subsidiary, JAX Investments, Inc.). The hurdle amount with respect to the Class B Units issued to BKAS is equal to $151,052,366, which was determined based on the volume weighted average of the closing price of our common stock over the five trading days following the completion of the Spin-off. None of the Class B Units were vested upon issuance. Instead, the Class B Units issued to BKAS vest with respect to one-third of such Class B Units on each of the first, second and third anniversaries of the date of grant.

The vesting of the Class B Units issued to BKAS is subject to acceleration upon a change in control of the Company, a termination of the Consulting Agreement by the Company without cause or the termination of the Consulting Agreement by BKAS as a result of our breach of the Consulting Agreement.

Vested Class B Units may be exchanged for shares of our common stock. However, upon termination of the Consulting Agreement for any reason, BKAS must exchange its Class B Units within 90 days, or such units will be cancelled and forfeited.

Upon an exchange, vested Class B Unit awards held by BKAS would be exchanged for a number of shares of our common stock with an aggregate fair market value equal to the amount of cash that would be distributed to BKAS in respect of those Class B Units by JAX Op upon a liquidation of JAX Op assuming the aggregate amount to be distributed to all members of JAX Op were equal to the implied valuation of the Company based upon its market capitalization on the date of exchange (net of any assets and liabilities of the Company that are not assets or liabilities of JAX Op). For example, as of October 1, 2017, the implied per unit liquidation value for each outstanding Class B Unit held by BKAS was $0.55. As a result, assuming all outstanding Class B Units issued to BKAS had vested as of and were exchanged on such date, we would have issued 75,851 additional shares of common stock to BKAS.

Under its terms, the Consulting Agreement would continue in effect for an initial term of seven years and would be renewed for successive one-year periods thereafter unless earlier terminated (i) by us upon at least six months prior notice to BKAS or (ii) by BKAS upon 30 days prior notice to us. In the event that the Consulting Agreement was terminated by us prior to the tenth anniversary thereof, or by BKAS within 180 days after a change of control event with respect to us, we will be obligated to pay to BKAS an early termination payment equal to the product of (i) the annual base fee for the most recent fiscal year and (ii) the difference between ten and the number of years that have elapsed under the Consulting Agreement, provided that in the event of such a termination following a change of control event, the multiple of the annual base fee to be paid may not exceed three.

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In connection with the Company s entry into the Merger Agreement, the Company negotiated and entered into the Black Knight Termination Agreement, pursuant to which the parties have agreed that, effective as of and conditioned upon the Closing under the Merger Agreement, the Consulting Agreement will terminate in exchange for a termination fee of $2,090,384, together with the payment of any fees or expenses accrued as of such date to be paid by the Company to BKAS. This termination fee was calculated using the formula described above that would apply in connection with a termination event following a change of control as set forth in the Consulting Agreement. Because the termination is occurring in connection with a transaction, the resulting termination fee under the Consulting Agreement is less than half of the amount the termination fee would have been had the Company terminated the Consulting Agreement on December 31, 2017, absent the Transactions.

Upon termination of the Consulting Agreement, the currently outstanding 1,500,024 profits interest units held by BKAS will have vested in full, in accordance with the terms of the underlying grant agreement, and must be exchanged for Class A Common Stock within 90 days following the Closing date or, if not exchanged, will be cancelled and forfeited. See *Ancillary Agreements Black Knight Termination Agreement* beginning on page 103 of this proxy statement for more information.

The principal member of BKAS is William P. Foley, II, non-Executive Chairman of the Board of FNF, Chairman of the Board of Managers and Senior Managing Director of FNFV, and a director of FNH. He is also a direct or indirect owner of FNF, FNFV and FNH. Upon the Closing, Mr. Foley will be added as a member of the Board.

The other members of BKAS consist of other current and former officers of FNF, FNFV and FNH, including Brent B. Bickett, Executive Vice President, Corporate Strategy of FNF, Managing Director of FNFV and a director and owner of FNH, Michael L. Gravelle, Executive Vice President, General Counsel and Corporate Secretary of FNF and Managing Director and Corporate Secretary of FNFV, David Ducommun, Senior Vice President, Corporate Finance of FNF and Managing Director, Corporate Finance of FNFV, Richard L. Cox, Executive Vice President, Finance of FNF and Managing Director and Chief Tax Officer of FNFV, and Lonnie J. Stout II, our President and Chief Executive Officer.

Mr. Stout currently holds a 11.76% interest in BKAS and, as a result, may be an indirect beneficiary of the Class C Units (former Class B Units) issued to BKAS and the management fees paid and the termination fee to be paid to BKAS.

From the inception of the Consulting Agreement through March 28, 2017, we have paid approximately $76,000 in reimbursements for their out of pocket expenses incurred by or on behalf of BKAS. On March 30, 2016, we paid BKAS a management fee of approximately $207,000 with respect to the period ended January 3, 2016, which only included three months of fees under the Consulting Agreement. On March 3, 2017, we paid BKAS a management fee of approximately $729,000 with respect to the period ended January 1, 2017.

The Company s Board of Directors and Executive Officers after the Consummation of the Transactions

William P. Foley, II, non-Executive Chairman of the board of directors of FNF, will join the Company s Board in connection with the Transactions. Otherwise, the Board and executive officers will remain unchanged by the Transactions.

Material Federal Income Tax Consequences of the Transactions

Because Company shareholders will not participate in the Transactions, our shareholders will not recognize gain or loss for federal income tax purposes in connection with the Transactions.

Accounting Treatment

The Company prepares its financial statements in accordance with GAAP. Under GAAP, the Transactions will be accounted for as a reverse acquisition under the acquisition method of accounting in accordance with the

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FASB ASC Section 805, Business Combinations. Because 99 Restaurants equity holders, FNH and FNFV, will receive a majority of the equity securities and voting rights of the combined company, the 99 Restaurants historical business is larger than the Company s in terms of revenues, earnings and number of units, and the fact that William P. Foley, II will be added to the combined company s board of directors, 99 Restaurants is considered to be the acquirer of the Company for accounting purposes. This means that the combined company will allocate the deemed purchase price to the fair value of the Company s assets and liabilities at the acquisition date, with any excess purchase price being recorded as goodwill. The assets and liabilities of 99 Restaurants will continue to be stated at historical costs in the consolidated financial statements of the combined company.

Federal Securities Law Consequences; Resale Restrictions

The Class B Units and the shares of Class B Common Stock to be issued in the Transactions to the Sellers will be issued in a transaction or transactions pursuant to an exemption from the registration requirements of the Securities Act. Therefore, these Class B Units and shares of Class B Common Stock will be restricted securities and will neither be registered under the Securities Act upon issuance, nor be freely transferable. The Class B Units and shares of the Class B Common Stock received by the Sellers as Merger Consideration may not be sold except pursuant to an effective registration statement under the Securities Act covering the resale of those shares or an exemption from registration under the Securities Act. At Closing, the Company and the Sellers will enter into a Registration Rights Agreement, pursuant to which the Sellers will have the right to require the Company, at its expense, to register shares of Class A Common Stock that are issuable by the Company to the Sellers upon exchange of Class B Units of JAX Op, and which will provide that the Company or JAX Op will pay certain expenses of the Sellers relating to such registration and indemnify the Sellers against certain liabilities that may arise under the Securities Act. In the future, after an exchange, shares of Class A Common Stock may also be sold in the market under Rule 144 of the Securities Act, subject to holding period and volume limitations and other requirements of Rule 144.

Regulatory Approvals

Consummation of the Transactions is subject to the expiration or termination of the waiting period under the HSR Act applicable to the Transactions. On August 24, 2017, the Company and Cannae each filed a notification and report form under the HSR Act with the Antitrust Division of the Department of Justice and the Federal Trade Commission (the FTC). On September 7, 2017, the FTC granted early termination of the waiting period under the HSR Act. The Company is not aware of any material governmental approvals or actions that are required for completion of the Transactions other than those described above and approvals from certain liquor licensing authorities. It is presently contemplated that if any additional material governmental approvals or actions are required, those approvals or actions will be sought.

Any time before or after the Closing, the U.S. Department of Justice, the FTC or a U.S. state attorney general could challenge or seek to block the Transactions under antitrust laws, as it deems necessary or desirable in the public interest. Moreover, a competitor or other third party could initiate a private action under antitrust laws challenging or seeking to enjoin the Transactions, before or after they are completed. The Company does not believe that the completion of the business combination will result in a violation of any applicable antitrust laws. However, there can be no assurance that a challenge to the business combination on antitrust grounds will not be made or, if this challenge is made, what the result will be.

No Dissenters Rights

No shareholder of the Company will be entitled to exercise dissenters rights and demand payment for his, her or its shares of Current Common Stock in connection with the Transactions.

Litigation Related to the Transactions

On December 8, 2017, Margie Elstein, a purported shareholder of the Company, filed the Elstein Action against the Company, members of the Board, FNH, FNFV and FNF. The Elstein Action alleges that the members of the

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Board breached their fiduciary duties to shareholders because the directors of the Company and Stephens have conflicts of interest related to the Company s acquisition of Ninety Nine Restaurants. The Elstein Action also alleges that the Board and the Company made materially inadequate disclosures and material omissions in its preliminary proxy statement for the acquisition of Ninety Nine Restaurants. The Elstein Action further alleges that the Fidelity defendants aided and abetted the Board s purported breach of its fiduciary duties. In addition to seeking compensatory damages and attorneys fees and expenses, the Elstein Action seeks to enjoin the acquisition of Ninety Nine Restaurants until the Company remedies certain alleged disclosure deficiencies in the proxy statement. The Company believes the plaintiff s allegations are without merit, and the Company will contest the allegations vigorously. Further, the Company notes that it was because of known and potential conflicts, which are identified in this proxy statement, that the Board determined to submit the Transactions to a vote of the disinterested shareholders under Tennessee law, as described in the Conflicting Interest Proposal, on page 143 of this proxy statement. The Company will not close the Transactions unless the disinterested shareholders vote to approve the Conflicting Interest Proposal as described therein.

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THE MERGER AGREEMENT

The discussion in this proxy statement of the terms and conditions of the Merger Agreement is subject to and is qualified in its entirety by reference to the Merger Agreement, a copy of which is attached as Appendix A to this proxy statement and is incorporated into this proxy *statement by reference.*

Explanatory Note

This summary of the principal terms of the Merger Agreement and the copies of the Merger Agreement attached to this proxy statement are intended solely to provide information regarding the terms of the Merger Agreement and are not intended to modify or supplement any factual disclosures about the Company in its public reports filed with the Commission. The description of the Merger Agreement and the Transactions (including the Merger) contained herein do not purport to be complete and are qualified in their entirety by reference to the full text of the Merger Agreement.

The Merger Agreement has been included solely to provide investors and security holders with information regarding its terms. The representations, warranties and covenants contained in the Merger Agreement were made only for purposes of such agreement and as of specific dates, were solely for the benefit of the parties to the Merger Agreement, and may be subject to limitations agreed upon by the contracting parties, including, being qualified by confidential disclosures exchanged between the parties in connection with the execution of the Merger Agreement. The representations and warranties may have been made for the purposes of allocating contractual risk between the parties to the agreement instead of establishing these matters as facts, and may be subject to standards of materiality applicable to the contracting parties that differ from those generally applicable to investors. Investors are not third-party beneficiaries under the Merger Agreement and in reviewing the representations, warranties and covenants contained in the Merger Agreement or any descriptions thereof in the summaries provided herein, it is important to bear in mind that such representations, warranties and covenants or any descriptions were not intended by the parties to each of these agreements to be characterizations of the actual state of facts or condition of the Company, JAX Op, Merger Sub or any of their respective subsidiaries or affiliates. Moreover, information concerning the subject matter of the representations and warranties may change after the date of the Merger Agreement, which subsequent information may or may not be fully reflected in the Company s public disclosures. For the foregoing reasons, the representations, warranties and covenants or any descriptions of those provisions should not be read alone and should instead be read in conjunction with the other information contained in the reports, statements and filings that the Company publicly filed with the Commission.

The Transactions

Pre-Closing Transactions

The Merger Agreement contemplates that 99 Restaurants and the Sellers will undertake certain actions prior to the Closing (the Pre-Closing Transactions). The Pre-Closing Transactions include (i) FNH undergoing reorganization of certain of its subsidiaries, resulting in 99 Restaurants becoming a direct, wholly owned subsidiary of FNH, (ii) FNFV contributing $40 million in cash to 99 Restaurants in exchange for newly issued membership interests in 99 Restaurants (the FNFV Cash Contribution), and (iii) 99 Restaurants assuming $60 million of the currently outstanding indebtedness of its affiliates (the Debt Assumption), $40 million of which will be repaid promptly following the Closing with the proceeds of the FNFV Cash Contribution. Additionally, the Company expects to repay the remaining $20 million of assumed debt with proceeds of additional borrowings obtained pursuant to an amendment to the Company s existing credit facility.

The Merger

Unless the Merger Agreement is earlier terminated in accordance with its terms, and unless the parties otherwise agree, the Closing will take place on a date to be specified by JAX Op and 99 Restaurants, such date to be no later than the second business day after the satisfaction or waiver of all of the conditions to the Closing contained in the Merger Agreement (as described in *The Merger Agreement Conditions to the Consummation of the Transaction* below).

Subject to the terms and conditions of the Merger Agreement and in accordance with the TBCA and the Delaware Limited Liability Company Act, the Merger Agreement contemplates that the Merger Sub will merge with and into 99 Restaurants, whereupon the separate existence of Merger Sub shall cease and 99 Restaurants shall continue as the surviving entity and a subsidiary of the Company. After the completion of the Merger, the certificate of formation of 99 Restaurants in effect immediately prior to the effective time of the Merger will be the certificate of formation of the surviving entity and the limited liability company agreement of 99 Restaurants in effect immediately prior to the effective time of the Merger will be the limited liability company agreement of the surviving entity.

On the Closing date, the parties will cause the Merger to be consummated by the filing of certificates of merger and articles of merger with the Secretaries of State of the State of Delaware and the State of Tennessee. The Merger will become effective at the time that the articles of merger have been duly filed with the Secretary of State of the State of Tennessee, or at such later time as 99 Restaurants and the Company agree and specify in the articles of merger.

Merger Consideration

The Merger Agreement provides that the Merger Consideration will consist of shares of Class B Common Stock of the Company and Class B Units of JAX Op valued at $179 million (the agreed-upon value of the equity component of the Merger Consideration) and the assumption by the Company of $20 million of net debt.

Class B Unit/Class B Common Stock Merger Consideration

As consideration for the Merger, the Company will issue to the Sellers, collectively, 16,272,727 Class B Units and 16,272,727 shares of Class B Common Stock. For purposes of the Merger, each Class B Unit of JAX Op, together with one share of Class B Common Stock, will be issued at an agreed value of $11.00, which is a per-share price higher than the trading price of Current Common Stock on the date the Merger Agreement was entered into. The number of Class B Units, and corresponding shares of Class B Common Stock, to be issued in the Merger was determined by dividing $179 million by $11.00.

Adjustments to Merger Consideration

Pre-Closing Adjustments to the Merger Consideration

Until the effective time of the Merger, the Merger Consideration will be adjusted to reflect appropriately the effect of any stock split, reverse stock split, stock dividend or other like change with respect to Current Common Stock.

Post-Closing Adjustments to the Merger Consideration

The Merger Consideration will be subject to a customary net working capital adjustment by comparing actual net working capital of 99 Restaurants as of the Closing to a target net working capital amount. No later than 60 days after the Closing, JAX Op will prepare and deliver to FNH and FNFV a statement setting forth (a) a combined balance sheet of 99 Restaurants and its subsidiaries as of the Closing, and (b) JAX Op s final calculations of net working capital as of 11:59 p.m. on the day immediately prior to the Closing date, as computed pursuant to the Merger

Agreement (the Closing Statement). The Closing Statement will become binding upon the parties on the 30th day following its delivery by JAX Op to FNH and FNFV, unless FNH and FNFV deliver an objection notice to JAX Op. In the event of an objection notice, the Merger Agreement provides for customary dispute resolutions provisions, including a negotiation period followed by submission to independent accountants for final determination, if necessary.

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Upon final determination of net working capital, any adjustment to the Merger Consideration in favor of the Company will be paid via the cancellation of outstanding Class B Units and a corresponding number of shares of Class B Common Stock held by the Sellers, valued at $11.00 per unit/share combination. Any adjustment to the Merger Consideration in favor of the Sellers will be paid via the issuance of additional Class B Units and a corresponding number of shares of Class B Common Stock to the Sellers, valued at $11.00 per unit/share combination.

Representations and Warranties

The Merger Agreement contains customary and, in many cases, reciprocal representations and warranties by 99 Restaurants, Merger Sub, the Company and JAX Op, and certain representations and warranties of FNH and FNFV. The representations and warranties are subject, in some cases, to specified exceptions and qualifications contained in confidential disclosure schedules that were delivered in connection with the execution of the Merger Agreement.

The representations and warranties made by 99 Restaurants, on the one hand, and the Company, JAX Op and Merger Sub, on the other, relate to a number of matters, including the following:

- organization, corporate structure, good standing and qualification to do business;
- capitalization;
- authority to enter into the Merger Agreement and the other agreements and transactions contemplated thereby;
- absence of any conflict with applicable law, its organizational documents, orders or decrees applicable to such party or certain of its contracts;
- the need for certain governmental consents and approvals;
- financial statements and accounting controls;
- undisclosed liabilities;
- accuracy of information provided for inclusion in this proxy statement;
- employee relations and compliance with labor and employment laws;

absence of certain changes or events;

compliance with legal requirements and permits to operate;

litigation matters;

taxes;

employee benefit matters;

material contracts;

registered and unregistered intellectual property and intellectual property rights matters;

owned and leased real property and personal property;

environmental matters;

use of a broker in connection with the Transactions and the fees payable to any such broker;

suppliers;

insurance;

quality and safety of its food and beverage products; and

absence of other representations or warranties.

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The representations and warranties made by each of FNFV and FNH relate to a number of matters, including the following:

- organization and good standing;
- ownership of 99 Restaurants;
- authority to enter into the Merger Agreement and the other agreements and transactions contemplated thereby;
- absence of any conflict with applicable law, its organizational documents, orders or decrees applicable to such party or certain of its contracts;
- the need for certain consents and approvals;
- litigation matters; and
- use of a broker in connection with the Transactions and the fees payable to any such broker.

Certain representations and warranties made by 99 Restaurants, on one hand, and the Company, JAX Op and Merger Sub, on the other, are qualified as to materiality or material adverse effect (or similar phrases).

For purposes of the Merger Agreement, a material adverse effect with respect to 99 Restaurants means any event, change, effect, development or occurrence that, individually or in the aggregate, (a) has or would be reasonably expected to have a material adverse effect on the business, results of operations or financial condition of 99 Restaurants and its subsidiaries, taken as a whole, or (b) prevents or materially impedes or delays, or is reasonably likely to prevent or materially impede or delay, the consummation by 99 Restaurants of any of the Transactions on a timely basis or the performance by 99 Restaurants of its covenants and obligations under any of the transaction agreements. Such definition excludes, however, any such development resulting from: (a) any general United States or global economic conditions, (b) any conditions generally affecting the restaurant industry or the upscale casual dining segment of the restaurant industry, (c) any regulatory, legislative or political conditions or securities, credit, financial, debt or other capital markets conditions, or the economy in each case in the United States or any foreign jurisdiction, (d) any failure, in and of itself, by the business to meet any internal or published projections, forecasts, estimates or predictions of 99 Restaurants or FNH, or their subsidiaries, in respect of revenues, earnings or other financial or operating metrics for any period (provided that the foregoing will not preclude JAX Op, the Company or Merger Sub from asserting that the facts or occurrences giving rise to or contributing to such failure that are not otherwise excluded from the definition of material adverse effect should be deemed to constitute, or be taken into account in determining whether there has been, or would reasonably be expected to be, a material adverse effect), (e) the public announcement of the transaction agreements or the Transactions or the identity of, or any facts or circumstances relating to, the Company or any of its subsidiaries, including the impact of any of the foregoing on the relationships, contractual or otherwise, of 99 Restaurants or any of its subsidiaries with customers, suppliers, officers or employees, (f) any adoption, implementation, promulgation, repeal, modification, amendment, reinterpretation, change or proposal of any rule, regulation, ordinance, order, protocol or any other law of or by any governmental entity, (g) any change in applicable Law, regulation or GAAP (or authoritative interpretations thereof), (h) any geopolitical conditions, the outbreak or escalation of hostilities, any acts of war, sabotage or terrorism, or any escalation or worsening of any such acts of war, sabotage or terrorism threatened or underway as of the date of the Agreement, (i) any taking of any action at the written request of any of the Company, JAX Op or Merger Sub, (j) any reduction in the credit rating of 99 Restaurants or any of its subsidiaries to the extent attributable to the expected consummation of the Transactions (provided that the foregoing will not preclude any of the Company, JAX Op or Merger Sub from asserting that the facts or occurrences giving rise to or contributing to such change that are not otherwise excluded from the definition of material adverse effect should be deemed to constitute, or be taken into account in determining whether there has been, or would reasonably be expected to be, a material adverse effect) or (k) any hurricane, earthquake, flood or other natural disasters, acts of God or any change resulting from weather conditions; provided, however, that with respect to clauses (a), (b), (c), (f), (g), (h) or (k), any such event, change,

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effect, development or occurrence will be taken into account if it is disproportionately adverse to 99 Restaurants and its subsidiaries, taken as a whole, when compared to other, similarly-situated persons operating in the geographies and industry in which 99 Restaurants and its subsidiaries operate.

For purposes of the Merger Agreement, a material adverse effect with respect to the Company, JAX Op and Merger Sub means any event, change, effect, development or occurrence, circumstance or effect, that, individually or in the aggregate, (a) has or would be reasonably expected to have a material adverse effect on the business, results of operations or financial condition of the Company and its subsidiaries, taken as a whole or (b) prevents or materially impedes or delays, or is reasonably likely to prevent or materially impede or delay, the consummation by the Company, JAX Op or Merger Sub of any of the Transactions on a timely basis or the performance by any of the Company, JAX Op or Merger Sub of its covenants and obligations hereunder. Such definition excludes, however: (a) any general United States or global economic conditions, (b) any conditions generally affecting the restaurant industry or the upscale casual dining segment of the restaurant industry, (c) any decline in the market price or trading volume of Current Common Stock (provided that the foregoing will not preclude 99 Restaurants, FNH or FNFV from asserting that the facts or occurrences giving rise to or contributing to such decline that are not otherwise excluded from the definition of material adverse effect should be deemed to constitute, or be taken into account in determining whether there has been, or would reasonably be expected to be, a material adverse effect), (d) any regulatory, legislative or political conditions or securities, credit, financial, debt or other capital markets conditions, or the economy in each case in the United States or any foreign jurisdiction, (e) any failure, in and of itself, by the Company or its subsidiaries to meet any internal or published projections, forecasts, estimates or predictions in respect of revenues, earnings or other financial or operating metrics for any period (provided that the foregoing will not preclude 99 Restaurants, FNH or FNFV from asserting that the facts or occurrences giving rise to or contributing to such failure that are not otherwise excluded from the definition of material adverse effect should be deemed to constitute, or be taken into account in determining whether there has been, or would reasonably be expected to be, a material adverse effect), (f) the public announcement of the Merger Agreement, the Transactions or the identity of, or any facts or circumstances relating to, 99 Restaurants, FNH or FNFV or their respective subsidiaries or affiliates, including the impact of any of the foregoing on the relationships, contractual or otherwise, of the Company or any of its subsidiaries with customers, suppliers, officers or employees, (g) any adoption, implementation, promulgation, repeal, modification, amendment, reinterpretation, change or proposal of any rule, regulation, ordinance, order, protocol or any other law of or by any governmental entity, (h) any change in applicable law, regulation or GAAP (or authoritative interpretations thereof), (i) any geopolitical conditions, the outbreak or escalation of hostilities, any acts of war, sabotage or terrorism, or any escalation or worsening of any such acts of war, sabotage or terrorism threatened or underway as of the date of the Merger Agreement, (j) any taking of any action at the written request of 99 Restaurants, FNH or FNFV, (k) any reduction in the credit rating of the Company or any of its subsidiaries to the extent attributable to the expected consummation of the Merger (it being understood and agreed that the foregoing will not preclude 99 Restaurants, FNH or FNFV from asserting that the facts or occurrences giving rise to or contributing to such change that are not otherwise excluded from the definition of material adverse effect should be deemed to constitute, or be taken into account in determining whether there has been, or would reasonably be expected to be, a material adverse effect) or (l) any hurricane, earthquake, flood or other natural disasters, acts of God or any change resulting from weather conditions; provided, however, that with respect to clauses (a), (b), (d), (g) or (l), any such event, change, effect, development or occurrence will be taken into account if it is disproportionately adverse to the Company and its subsidiaries, taken as a whole, when compared to other, similarly-situated persons operating in the geographies and industry in which the Company and its subsidiaries operate.

Covenants

Generally

Each of the parties have also made customary covenants in the Merger Agreement, including, but not limited to, covenants to (a) prepare and file with the Commission, as soon as practicable following the date of the Merger

Agreement, the form of proxy statement that will be provided to the Company shareholders in connection with the solicitation of proxies for the Special Meeting; (b) make all appropriate filings, by the Company and the Sellers or their affiliates, as applicable, under the HSR Act; (c) grant each other reasonable access during normal business hours to certain records and other informational materials; (d) cooperate with each other and use their respective reasonable best efforts to obtain the consents, approvals and authorizations that are necessary to consummate the Transactions; (e) pay certain expenses incurred in connection with the Merger Agreement and the Transactions; (f) consult with each other before issuing, and give each other the opportunity to review and comment upon, any press release or other public statements concerning the Transactions; and (g) notify each other upon the occurrence of certain events.

Pre-Closing Obligations to Certain Employees

FNH and 99 Restaurants have also agreed to take all steps necessary to cause the employment of certain employees to be transferred to 99 Restaurants or one of its subsidiaries immediately prior to the Closing. To the extent an offer of employment is required to be made to such employee (each, an Offered Employee), 99 Restaurants will make an offer of employment to each such employee or cause each such employee s employment agreement to be assumed, as applicable. Any Offered Employee who either accepts an offer of employment or whose employment agreement is assumed, as applicable, is a Transferred Employee . Accordingly, all Transferred Employees other than Charlie Noyes (President of Ninety Nine Restaurants), whose agreement will be assumed at Closing, will be employees at-will of 99 Restaurants or its subsidiaries, as applicable, and none of 99 Restaurants, nor any of its subsidiaries, will enter into any employment-related agreement that will be binding on 99 Restaurants or the Company, or any of their respective subsidiaries, following the Closing, without JAX Op s express written consent.

For a period of six months following the consummation of the Merger, the Company has agreed to cause 99 Restaurants or its subsidiaries to maintain for all Transferred Employees, subject to their continued employment during such period, base salaries and wage rates, as applicable, that are substantially the same as received by such Transferred Employee as of August 3, 2017. Following the consummation of the Transactions, the Company has also agreed to take reasonable efforts to cause 99 Restaurants or its subsidiaries to establish and make available to the Transferred Employees, subject to their continued employment, health and welfare benefits that are commercially reasonable and competitive for the employee marketplace in which 99 Restaurants competes.

The above covenants will not confer employment or the right to continue in the employ of the Company, FNH or any of their respective affiliates, be deemed to establish, amend, modify or terminate any employee benefit plan maintained by the Company, FNH or any of their respective affiliates, or restrict the ability of the Company or its affiliates to terminate the employment of any Transferred Employee.

Intercompany Balances

FNH has also agreed to cause all intercompany balances between and among 99 Restaurants and its subsidiaries, on the one hand, and FNH or any of its subsidiaries other that 99 Restaurants and its subsidiaries, on the other hand, to be eliminated, by discharge or otherwise, and, except for those transactions contemplated by the Merger Agreement and the other agreements contemplated thereby, all intercompany transactions and accounts to be terminated and cancelled, in each case, effective as of the Closing, with no further liability or obligation on the part of FNH, its subsidiaries (other than 99 Restaurants and its subsidiaries), the Company and its subsidiaries or 99 Restaurants and its subsidiaries.

Restructuring; Asset Contributions

FNH and 99 Restaurants have agreed to cause to be completed certain assignments, contributions and other restructuring transactions prior to the Closing.

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Company Shareholder Litigation

The Company has further agreed to provide 99 Restaurants with the opportunity (but 99 Restaurants will not be obligated) to participate, at 99 Restaurants sole expense, in the defense and/or settlement of any shareholder litigation against the Company and/or its directors and/or executive officers relating to the Merger Agreement or the Transactions, whether commenced prior to or after the execution and delivery of the Merger Agreement, and the Company will not settle or offer to settle any such litigation without the prior written consent of 99 Restaurants, which will not be unreasonably withheld, conditioned or delayed.

Conduct of Business Pending the Transactions

99 Restaurants and the Company have additionally agreed, subject to certain exceptions, to conduct their respective restaurant businesses in the ordinary course consistent with past practice between the execution of the Merger Agreement and the Closing and not to take certain actions during such period without the prior consent of the other party. The restrictive operating covenants in the Merger Agreement are generally reciprocal, but certain of the restrictions imposed upon 99 Restaurants do not apply to the Company because the parties believe that the Company, as the acquirer of 99 Restaurants, should have more flexibility as to actions taken outside of the ordinary course between the date of the Merger Agreement and the Closing. In particular, each party has agreed that, without the prior consent of the other party (which consent will not be unreasonably withheld, conditioned or delayed), it will not take or permit any of its subsidiaries to take, directly or indirectly, any of the following actions:

- amending its organizational documents;

- declaring, setting aside, making or paying any dividends or other distributions in respect of any of its equity, with certain exceptions as set forth in the Merger Agreement;

- issuing, selling, granting, disposing of, pledging or otherwise encumbering (or authorizing or proposing to do any of the foregoing) any membership interests, capital stock or other securities or making any other changes in the capital structure of such party or any of its subsidiaries;

- merging or consolidating or acquiring equity interests in or material assets of any other person or business, or making any investment in excess of $500,000 (in the case of 99 Restaurants) or $2,000,000 (in the case of the Company) in any other person or business;

- selling, transferring, assigning, abandoning, leasing, subleasing, licensing, guaranteeing, subjecting to a lien, or otherwise disposing of or encumbering (or authorizing any of the foregoing) any material properties, rights, assets, product lines or business of such party, with certain exceptions;

- taking certain actions with respect to indebtedness and capital expenditures in relation to any other person;

settling, releasing, waiving or compromising certain material pending or threatened claims with certain exceptions;

taking certain actions with respect to material intellectual property;

materially altering or amending existing accounting methods, principles or practices, except as required by GAAP or applicable law;

proposing, adopting or entering into a plan of complete or partial liquidation, dissolution, consolidation, restructuring, recapitalization or other reorganization of such party or any of its subsidiaries;

intentionally deferring the payment of any accounts payable beyond the date such payable is due without penalty, except where any such amount payable is being disputed in good faith;

permitting any employee or other person to remove any material assets from the corporate office, warehouses, restaurants or other facilities of such party or its subsidiaries, except for in the ordinary course;

issuing coupons outside of the ordinary course or selling coupons or gift certificates for less than eighty (80%) of their fair value;

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materially increasing or decreasing the average restaurant, corporate or warehouse facility inventory of such party or any of its subsidiaries other than in the ordinary course or otherwise due to seasonality;

failing to maintain in full force and effect material insurance policies covering the business of such party or its subsidiaries and their respective properties, assets and businesses in a form and amount consistent with past practice in all material respects;

changing its fiscal year;

entering into any new line of business outside its existing line of business;

implementing or announcing any material reductions in labor force, mass lay-offs or plant closings, early retirement programs, or new severance programs or policies concerning certain employees;

entering into any non-compete, exclusivity, non-solicitation or similar agreement that would restrict, in any material respect, the businesses or operations of such party, the surviving entity or any of their subsidiaries or that would in any way restrict, in any material respect, the businesses or operations of the other party or its other affiliates, or, in the case of 99 Restaurants, taking any action that may impose new or additional regulatory requirements on the Company or any of its affiliates; or

entering into, renewing or modifying any indemnification agreement with any indemnified person under the Merger Agreement, except for any agreement to provide indemnification in connection with any contract to purchase inventory and other products for immediate consumption in the ordinary course and that is immaterial.

In addition, 99 Restaurants has agreed that, without the prior consent of the Company (which consent will not be unreasonably withheld, conditioned or delayed), it will not take or permit any of its subsidiaries to take, directly or indirectly, any of the following actions:

taking certain actions with respect to officer, director and employee compensation, entering into collective bargaining agreements or benefit plans, hiring or offering employment or terminating an officer of 99 Restaurants or any of its subsidiaries, or hiring or offering employment or terminating employment of certain other employees, with certain exceptions, including actions taken in the ordinary course;

entering into or modifying, amending or terminating any material contract or lease, taking such other actions with respect to rights or claims under material contracts or leases outside of the ordinary course of business, entering into any contract or lease containing any change of control provisions that would require a payment in connection with the Transactions, or entering into, terminating or amending any material contract for the purchase of inventory outside of the ordinary course;

entering into or materially amending any agreement with a director, officer, certain employees or an affiliate or associate of the foregoing; or

making or changing a material tax election, changing any material aspect of method of accounting for tax purposes, or amending any income or other material tax return, taking certain other actions with respect to tax claims or assessments, or entering into any closing agreement with any taxing authority.

No Solicitation

Upon entry into the Merger Agreement, the Sellers became subject to exclusivity and no-shop restrictions that restrict the Sellers ability to solicit, encourage, discuss or negotiate, or continue to do any of the foregoing that may have been taking place as of the date of the Merger Agreement, with any third parties with respect to the acquisition of, or any similar transactions resulting in the acquisition of, 99 Restaurants without exception.

The Company also became subject to exclusivity and no-shop restrictions that restrict the Company s ability to solicit proposals from, provide information to, and engage in discussions with, any third parties with respect to the acquisition of, or any similar transactions resulting in the acquisition of, the Company.

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Notwithstanding the foregoing restrictions, the no-shop restrictions on the Company are subject to a fiduciary-out provision that permits the Company to provide information to, and engage in discussions with, any third party regarding its acquisition proposal for the Company as long as:

- the third party executes a confidentiality agreement;
- the Board determines in good faith (after consultation with its financial advisor and outside counsel) (i) that the failure to take such action would be inconsistent with the Board s fiduciary duties under applicable law and (ii) that such third party s acquisition proposal is, or would reasonably be expected to result in, a superior proposal that would be more favorable to the Company s shareholders from a financial point of view than the Transactions;
- the Company provides prompt notice to 99 Restaurants of the above determinations by the Board and of its intent to engage in negotiations or discussions; and
- the alternative acquisition proposal does not result from a material breach of the no-shop restriction.

The Company must notify the Sellers promptly of any alternative acquisition proposal received by the Company or its representatives from any third party. The Board may not withdraw its recommendation in favor of the Transactions, or approve or recommend any alternative acquisition proposal or agreement with any third party, unless the Board determines in good faith (after consultation with its financial advisor and outside counsel) that failure to take such action would be inconsistent with its fiduciary duties under applicable law, and, with respect to any third party s alternative acquisition proposal, that such proposal is a superior proposal that would be more favorable to the Company s shareholders from a financial point of view than the Transactions. Additionally, prior to effecting a Recommendation Withdrawal (as defined in the Merger Agreement) with respect to a superior proposal or any intervening event, the Company must provide 99 Restaurants with notice of such superior proposal or intervening event at least five business days prior to effecting any Recommendation Withdrawal (as defined in the Merger Agreement) in respect thereof, and 99 Restaurants will be entitled to enforce its match rights under the Merger Agreement, pursuant to which the Company, if requested by 99 Restaurants, will negotiate with 99 Restaurants and its representatives in good faith to make amendments to the terms and conditions of the Merger Agreement, to be considered by the Board following expiration of the notice period of at least five business days. Further, in the event of any material revisions to such superior proposal or material changes related to such intervening event, the Company will be required to deliver a new written notice to 99 Restaurants and, if requested by 99 Restaurants, to negotiate with 99 Restaurants in good faith for a period of two business days. For purposes of the Merger Agreement, (i) a superior proposal means any bona fide inquiry, proposal or offer from any person or group other than the Sellers or any of their affiliates for, in one transaction or a series of related transactions, (A) a merger, reorganization, consolidation, share exchange, business combination, recapitalization, liquidation, dissolution or similar transaction involving an acquisition of the Company or JAX Op, (B) the acquisition in any manner, directly or indirectly, of fifty percent (50%) or more of the equity securities (or securities convertible into fifty percent (50%) or more of the equity securities) or assets (including capital stock of any subsidiaries of the Company) of the Company or any of its subsidiaries representing fifty percent (50%) or more of the consolidated assets of the Company (based on the fair market value thereof, as determined in good faith by the Board) or of the consolidated revenues, net income or operating cash flow of the Company and its subsidiaries, (C) any tender offer or exchange offer that results in or, if consummated, would result in any person or group, directly or indirectly, beneficially owning fifty percent (50%) or more of the equity securities (or securities convertible into fifty percent (50%) or more of the equity securities) of the Company or JAX Op, or (D) any combination of the foregoing, in the case of each of clauses (A) through (D), other than the Transactions, in each case, that did not result from a breach of the no-shop provisions in the Merger Agreement and that the Board has determined in its good faith judgment, after consultation with outside legal counsel and its financial advisor, is (X) reasonably likely to be, and reasonably capable of being, consummated in accordance with its terms, and, (Y) if consummated, would be more favorable to the Company s shareholders from a financial point of view than the Transactions, taken as a whole (including changes to the terms and conditions of the Merger Agreement proposed in response to such alternative acquisition proposal or otherwise by 99 Restaurants that, if accepted by the Company and JAX Op, would be

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binding upon 99 Restaurants), taking into account and without limitation, (1) all financial considerations, (2) the identity of the person making the alternative acquisition proposal, (3) the anticipated timing, conditions and prospects for completion of such alternative acquisition proposal, (4) the other terms and conditions of such alternative acquisition proposal and the implications thereof on the Company, including all relevant legal, regulatory and financial aspects of such alternative acquisition proposal, and the person making the proposal, and (5) any other aspects of such alternative acquisition proposal deemed relevant by the Board; and (ii) an intervening event is any event, fact, development or occurrence that affects the business, assets or operations of the Company that is unknown to, and is not reasonably foreseeable by, the Board as of the date of the Merger Agreement, that becomes known to the Board after the date of the Merger Agreement (excluding an alternative acquisition proposal).

Additionally, under certain circumstances, termination of the Merger Agreement may result in the payment by the Company of a termination fee of $4.0 million or reimbursement by the Company of 99 Restaurants expenses incurred in connection with the Transactions up to a limit of $500,000. See *The Merger Agreement Termination of the Merger Agreement; Termination Fee and Expense Reimbursement* beginning on page 97 of this proxy statement.

Conditions to the Consummation of the Transactions

Conditions to Each Party s Obligations to Effect the Transactions

The respective obligations of each party to consummate the Transactions contemplated by the Merger Agreement are subject to the satisfaction (or waiver) of each of the following conditions at or prior to the Closing:

- The Company s shareholders must have approved the Merger, the Charter Amendments and the issuance of the Class B Units and shares of Class B Common Stock to the Sellers as consideration for the Transactions, as solicited pursuant to this Proxy Statement (the Requisite Shareholder Approvals);

- No temporary restraining order or preliminary or permanent injunction or other order by any federal or state court or other tribunal of competent jurisdiction preventing consummation of the Transactions, or applicable law prohibiting the consummation of the Transactions will be in effect;

- The early termination or expiration of the waiting period required under the HSR Act must have occurred;

- The Restated Charter must have been filed and accepted with the Secretary of State of the state of Tennessee and the outstanding shares of Current Common Stock will have been reclassified as Company Class A Common Stock, pursuant to the Restated Charter, and the Company s listing application with the NYSE must have been amended such that the shares of Company Class A Common Stock must have been approved for listing on the NYSE;

- The Pre-Closing Transactions must have been consummated; and

The lender under the credit facility of FNH s subsidiaries must have consented to (i) the assumption by 99 Restaurants of $60 million of the outstanding indebtedness under such credit agreement and (ii) the Transactions.

Conditions to the Company s, JAX Op s and Merger Sub s Obligations to Effect the Transactions

The obligations of the Company, JAX Op and Merger Sub to consummate the Transactions contemplated by the Merger Agreement are subject to the satisfaction (or waiver) at or prior to the Closing of the following conditions.

(i) Each of the representations and warranties of 99 Restaurants contained in the Merger Agreement (other than specified representations relating to corporate organization, capitalization, corporate power and authority and brokers and finders fees) must be true and correct in all respects (disregarding any materiality or material adverse effect qualifiers) as of the date of the Merger Agreement and as of Closing date as

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though made on or as of such date (or, in the case of representations and warranties that address matters only as of a particular date, as of such date), except to the extent that breaches thereof, individually or in the aggregate, have not had, and would not reasonably be expected to have, a material adverse effect with respect to 99 Restaurants; (ii) each of the representations and warranties of 99 Restaurants relating to corporate organization, corporate power and authority and brokers and finders fee) and the representations and warranties of the Sellers in the Merger Agreement must be true and correct in all respects, as of the date of the Merger Agreement and as of the Closing date as though made on or as of such date (or in the case of representations and warranties that address matters only as of a particular date, as of such date); and (iii) each of the representations and warranties of 99 Restaurants relating to capitalization must be true and correct in all respects (other than de minimis deviations therefrom), as of the date of the Merger Agreement and as of the Closing date as though made on or as of such date (or, in the case of representations and warranties that address matters only as of a particular date, as of such date).

Each of 99 Restaurants and the Sellers must have performed or complied in all material respects with all agreements and covenants required by the Merger Agreement to be performed or complied by it at or prior to the Closing date.

The Black Knight Termination Agreement, entered into as of the date of the Merger Agreement between the Company, JAX Op and BKAS, must have remained in effect, without amendment or modification, through the Effective Time.

The Company and FNF must have entered into the FNF Waiver Agreement.

JAX Op must have received from 99 Restaurants the audited combined balance sheet of the business of 99 Restaurants as of December 25, 2016 and December 27, 2015, and the related audited combined statement of earnings, comprehensive income, changes in equity, and cash flows for the fiscal years ended December 25, 2016 and December 27, 2015, and the notes thereto.

99 Restaurants must have delivered to JAX Op a certificate to the effect that certain conditions have been satisfied as of the Closing date.

A material adverse effect with respect to 99 Restaurants must not have occurred since the date of the Merger Agreement.

JAX Op must have received the various Closing deliverables required under the Merger Agreement.

In addition, the obligation of 99 Restaurants to consummate the Transactions contemplated by the Merger Agreement is subject to the satisfaction (or waiver) at or prior to the Closing of the following additional conditions:

(i) Each of the representations and warranties of the Company, JAX Op and Merger Sub contained in the Merger Agreement (other than specified representations relating to corporate organization, capitalization, corporate power and authority and brokers and finders fees) must be true and correct in all respects (disregarding any materiality or material adverse effect qualifiers) as of the date of the Merger Agreement and as of Closing date as though made on or as of such date (or, in the case of representations and warranties that address matters only as of a particular date, as of such date), except to the extent that breaches thereof, individually or in the aggregate, have not had, and would not reasonably be expected to have, a material adverse effect with respect to the Company; (ii) each of the representations and warranties of the Company, JAX Op and Merger Sub relating to corporate organization, corporate power and authority and brokers and finders fee must be true and correct in all respects, as of the date of the Merger Agreement and as of the Closing date as though made on or as of such date (or in the case of representations and warranties that address matters only as of a particular date, as of such date); and (iii) each of the representations and warranties of the Company, JAX Op and Merger Sub relating to capitalization must be true and correct in all respects (other than de minimis deviations therefrom), as of the date of the Merger Agreement and as of the Closing date as though made on or as of such date (or, in the case of representations and warranties that address matters only as of a particular date, as of such date).

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Each of the Company, JAX Op and Merger Sub must have performed or complied in all material respects with all agreements and covenants required by the Merger Agreement to be performed or complied by it at or prior to the Closing date.

The Company must have delivered to 99 Restaurants a certificate to the effect that certain conditions have been satisfied as of the Closing date.

A material adverse effect with respect to the Company must not have occurred since the date of the Merger Agreement.

99 Restaurants must have received the various Closing deliverables required under the Merger Agreement.

Termination of the Merger Agreement; Termination Fee and Expense Reimbursement

The Merger Agreement contains customary termination rights for each of JAX Op and 99 Restaurants. The parties may terminate the Merger Agreement by mutual written consent at any time prior to the effective time of the Merger. In addition, if the Transactions have not closed on or before 5:00 p.m. New York City time on February 28, 2018, either party may terminate the Merger Agreement, so long as that party s action or failure to act did not constitute a material breach or violation of any of its covenants, agreements or other obligations under the Merger Agreement and such material breach or violation or failure was not the principal cause of or did not directly result in the failure of the Closing to occur on or before the time referenced above. In addition, either party may terminate the Merger Agreement if the Requisite Shareholder Approvals are not obtained, or a governmental authority has issued a final, non-appealable order, decree, ruling or other action prohibiting the Transactions, so long as that party s action or failure to act does not constitute a material breach or violation of any of its covenants, agreements or other obligations under the Merger Agreement, and any such material breach or violation or failure has not been the principal cause of, or directly resulted in, such restraint.

JAX Op may unilaterally terminate the Merger Agreement if:

99 Restaurants, FNH or FNFV breach any of their respective representations or warranties or fail to perform all of their respective obligations, covenants or agreements required to be performed under the Merger Agreement such that the applicable condition to Closing set forth above would not be satisfied, and such breach or failure to perform is incurable or, if curable, not cured by the earlier of February 28, 2018 and the date that is 30 days following 99 Restaurants receipt of notice of the breach; provided that such termination right will not be available if any of the Company, JAX Op or Merger Sub has breached any of its respective representations or warranties or failed to perform any of their respective obligations, covenants or agreements required to be performed under the Merger Agreement such that the applicable condition to Closing set forth above would not be satisfied; or

Prior to obtaining the Requisite Shareholder Approvals, the Company immediately prior to or concurrently with the termination of the Merger Agreement and subject to additional terms therein, enters into one or more alternative proposal agreements with respect to a superior proposal, and immediately prior to or concurrent with such termination pays 99 Restaurants or its designees a termination fee.

99 Restaurants may unilaterally terminate the Merger Agreement if:

The Company, JAX Op or Merger Sub breach any of their respective representations or warranties or fail to perform all of their respective obligations, covenants or agreements required to be performed under the Merger Agreement such that the applicable condition to Closing set forth above would not be satisfied, and such breach or failure to perform is incurable or, if curable, not cured by the earlier of February 28, 2018 and the date that is 30 days following JAX Op s receipt of notice of the breach; provided that such termination right will not be available if any of 99 Restaurants, FNH or FNFV has breached any of its respective representations or warranties or failed to perform any of their respective obligations, covenants or agreements required to be performed under the Merger Agreement such that the applicable condition to Closing set forth above would not be satisfied; or

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- Prior to the effective time of the Merger, the Board or any committee thereof makes a Recommendation Withdrawal (as defined in the Merger Agreement) with respect to the Transactions.

In the event that any party determines to terminate the Merger Agreement in accordance with its terms, such party must give written notice to the other parties and the Merger Agreement will terminate effective immediately. Upon termination, each of the further obligations of the parties to the Merger Agreement will terminate and become void and of no force and effect, and there will be no liability or obligation on the part of any party or its respective officers or directors, except that the representations and warranties of the parties and certain specified provisions of the Merger Agreement will survive the termination of the Merger Agreement pursuant to its terms and no party will be relieved from liability for breach of the Merger Agreement or for fraud, willful misconduct or intentional misrepresentation, in each case, that occurred before termination.

Under certain circumstances, termination of the Merger Agreement will require the Company to pay a $4.0 million termination fee to 99 Restaurants; those circumstances are as follows:

- JAX Op terminates the Merger Agreement and enters into an alternative proposal agreement with respect to a superior proposal, prior to obtaining the Requisite Shareholder Approvals; or

- 99 Restaurants terminates the Merger Agreement following a Recommendation Withdrawal (as defined in the Merger Agreement) by the Board with respect to the Transactions; or

- (i) if the Merger Agreement is terminated by (A) 99 Restaurants for breach of a representation, warranty or covenant by the Company, JAX Op or Merger Sub or (B) either party for failure to obtain the Requisite Shareholder Approvals, and (ii) prior to the date of such termination (but after the date of the Merger Agreement) an alternative proposal is publicly announced or is otherwise communicated to the Board, and (iii) within 12 months of such termination discussed in (i) above, the Company or any of its subsidiaries enters into a definitive agreement with respect to or otherwise consummates an alternative transaction (as defined and further discussed in the Merger Agreement).

Solely for purpose of the third bullet point above, an alternative proposal means any bona fide inquiry, proposal or offer from any person or group other than the Sellers or any of their affiliates for, in one transaction or a series of related transactions, (A) a merger, reorganization, consolidation, share exchange, business combination, recapitalization, liquidation, dissolution or similar transaction involving an acquisition of the Company or JAX Op, (B) the acquisition in any manner, directly or indirectly, of fifty percent (50%) or more of the equity securities (or securities convertible into fifty percent (50%) or more of the equity securities) or assets (including capital stock of any subsidiaries of the Company) of the Company or any of its subsidiaries representing fifty percent (50%) or more of the consolidated assets of the Company (based on the fair market value thereof, as determined in good faith by the Board) or of the consolidated revenues, net income or operating cash flow of the Company and its subsidiaries, (C) any tender offer or exchange offer that results in or, if consummated, would result in any person or group, directly or indirectly, beneficially owning fifty percent (50%) or more of the equity securities (or securities convertible into fifty percent (50%) or more of the equity securities) of the Company or JAX Op, or (D) any combination of the foregoing, in the case of each of clauses (A) through (D), other than the Transactions.

In addition, the Merger Agreement provides that if the Merger Agreement is terminated as a result of a breach by one party that remains uncured, the breaching party will reimburse the non-breaching party for expenses incurred in connection with the Transactions up to a limit of $500,000. In the event 99 Restaurants receives any expense reimbursement from the Company, and thereafter 99 Restaurants is entitled to receive a termination fee under the Merger Agreement, the amount of the termination fee will be reduced by the aggregate amount of such expense reimbursement.

Indemnification

The Merger Agreement imposes indemnification obligations on each of the Sellers and JAX Op, subject to (in addition to other customary limitations) a $1.99 million deductible and a $19.9 million cap. The Sellers, are

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severally (and not jointly) required to indemnify the Company and its related parties for any loss arising out of or relating to (i) breaches of 99 Restaurants or Sellers representations and warranties; (ii) breaches of the Sellers or 99 Restaurants and any of its subsidiaries covenants; (iii) pre-closing taxes, or (iv) any amount for which the Company is responsible under the Tax Matters Agreement or the Separation and Distribution Agreement arising as a result of or in connection with the Transactions. JAX Op is required to indemnify the Sellers and their related parties for any loss arising out of or relating to (i) breaches of the Company s, JAX Op s or Merger Sub s representations and warranties or (ii) breaches of the Company s, JAX Op s or any of their subsidiaries covenants. Indemnification obligations will be settled by the cancellation of then-existing Class B Units and shares of Class B Common Stock (where the Sellers are the indemnifying parties) or the issuance of additional Class B Units and shares of Class B Common Stock (where JAX Op is the indemnifying party).

All post-closing indemnification obligations, if any, will be paid in Class B Units and a corresponding number of shares of Class B Common Stock. Any indemnification obligation owed by the Sellers to the Company will be paid on a pro rata basis and via the cancellation of Class B Units and a corresponding number of shares of Class B Common Stock held by the Sellers. Any indemnification obligation owed by the Company to the Sellers will be paid via the issuance of additional Class B Units and a corresponding number of shares of Class B Common Stock, to the Sellers on a pro rata basis. The number of unit/share combinations to be issued or cancelled will be determined by dividing the amount of the indemnification loss by the volume weighted averages of the trading prices of the Class A Common Stock as reported for each of the 10 consecutive trading days ending on (and including) the trading day that is two trading days prior to the date of the final determination of the indemnification loss.

The parties indemnification obligations with respect to breaches of representations and warranties, and breaches of pre-closing covenants, will survive for a period of twelve (12) months following the Closing.

The Sellers obligation to indemnify the Company for pre-closing taxes of 99 Restaurants and for Spin-off liabilities will survive until thirty (30) days following the expiration of the applicable statute of limitations for such liabilities.

Method of Asserting Claims

If an indemnity claim is made against any indemnified party by a third-party, the indemnified party will deliver, within 30 days of such claim, a written notice setting forth, to the extent available, the basis of the request for indemnification and the amount of losses arising or in good faith estimated to arise therefrom. The failure to provide timely notice will not affect the indemnified party s right to indemnification except to the extent the indemnifying party was materially prejudiced as a result. The indemnifying party will have 10 business days from the receipt of such notice to notify the indemnified party in writing whether or not it elects to defend (which right to defend is subject to certain limitations set forth in the Merger Agreement) the indemnified party against the third-party claim.

Sole Remedy

The indemnities provided in the Merger Agreement are the sole and exclusive remedy of the parties at law or in equity for any breach or inaccuracy of any representation, warranty, covenant or agreement contained in the Merger Agreement, other than with respect to claims (i) relating to fraud, intentional misrepresentation or specific performance, (ii) for injunctive relief or (iii) that are governed by the post-closing net working capital purchase price adjustment and termination provisions of the Merger Agreement.

Governing Law

The Merger Agreement is governed by the internal laws of the State of Tennessee. The parties have agreed that any action arising out of the Merger Agreement will be brought in federal or state court in the State of Tennessee and that all claims in respect of the interpretation and enforcement of the provisions of the Merger Agreement,

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and in respect of the Transactions, or with respect to any such action or proceeding, will be heard by a Tennessee federal or state court and that the jurisdiction of such courts with respect thereto will be exclusive.

Amendment

Subject to the provisions of applicable laws, at any time prior to the effective time of the Merger, the parties to the Merger Agreement may modify or amend the Merger Agreement, by written agreement executed and delivered by duly authorized officers of the respective parties.

ANCILLARY AGREEMENTS

Registration Rights Agreement

FNH, FNFV, the Company and JAX Op have agreed to enter into the Registration Rights Agreement at or prior to the Closing, pursuant to which the Sellers will have the right to require the Company, at its expense, to register shares of Class A Common Stock that are issuable by the Company to the Sellers upon exchange of Class B Units of JAX Op. The Company has agreed to use its commercially reasonable efforts to file a shelf registration statement following the Sellers exercise of their rights under the Registration Rights Agreement to cover the public resale of shares of Class A Common Stock delivered by the Company to the Sellers upon an exchange of their Class B Units.

The Registration Rights Agreement will provide that the Company or JAX Op will pay certain expenses of the Sellers relating to such registration and indemnify the Sellers against certain liabilities that may arise under the Securities Act.

Second Amended and Restated Charter of the Company

The discussion in this Proxy Statement of the terms and conditions of the Restated Charter of the Company is subject to and is qualified in its entirety by reference to the Restated Charter of the Company, a copy of which is attached as Appendix B to this proxy statement and is incorporated into this Proxy Statement by reference.

In connection with the Merger, the Company will amend its Charter to (i) increase the number of authorized shares of the Company s capital stock from 40,000,000 to 100,000,000, (ii) reclassify Current Common Stock of the Company as Class A Common Stock, and authorize a total of 70,000,000 shares of Class A Common Stock, and (iii) authorize 20,000,000 shares of Class B Common Stock (voting, non-economic). The Restated Charter will also provide for the exchange of Class B Units and any related cancellation of shares of Class B Common Stock. If approved by the shareholders, the Restated Charter will also be amended to provide that the Tennessee Control Share Acquisition Act will no longer apply to the capital stock of the Company.

Third Amended and Restated Limited Liability Company Agreement of JAX Op

The discussion in this proxy statement of the terms and conditions of the Restated LLC Agreement of JAX Op is subject to and is qualified in its entirety by reference to the Restated LLC Agreement of JAX Op.

In connection with the Merger, JAX Op and the JAX Op unitholders, including FNH and FNFV, will enter into a new LLC Agreement governing the rights and obligations of the unitholders and the operations of JAX Op. JAX Op will create a new class, Class B Units (economic equivalent of Class A Units held by the Company). Existing management Class B Units will be renamed Class C Units and will continue to represent profits interests held by management for incentive compensation purposes and profits interests held by BKAS (for up to 90 days after the Closing). The following is a description of the material terms of the Restated LLC Agreement.

Governance

The Company will serve as sole managing member and will control the business and affairs of JAX Op. No other members of JAX Op, in their capacity as such, will have any authority or right to control the management of JAX Op or to bind it in connection with any matter. The Company will exercise control of the business of JAX Op through its executive officers, who will manage the day-to-day activities of the Company and JAX Op and its subsidiaries, subject to the direction of the Board. The executive officers of the Company are also officers of JAX Op and its subsidiaries and are authorized to act on behalf of each such entity, subject to ultimate direction of the Board.

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Voting and Economic Rights of Members

JAX Op will have three series of outstanding equity: Class A Units, Class B Units and Class C Units. The Class A Units will be held by the Company. The Class B Units will be held by FNH and FNFV, and the Class C Units will be held by management and, for up to 90 days after the Closing of the Merger, by BKAS. The Class A Units, Class B Units and vested Class C Units will entitle their holders to a pro rata share in the profits and losses of, and distributions from, JAX Op. Holders of Class C Units will not be entitled to distributions (other than tax distributions) unless and until such time as a specified dollar hurdle amount has been previously distributed to holders of Class A Units and Class B Units. The managing member will not be required to vote its Units in order to exercise its authority as managing member. Holders of Units will generally have no voting rights, except in respect of amendments to the Restated LLC Agreement that adversely affect such holder, and other matters adversely affecting such holder. Class A and Class B members will have voting rights on any matter required by Delaware law, if any.

Net profits and losses of JAX Op generally will be allocated, and distributions made, to its members pro rata in accordance with the number of Class A or Class B Units owned by each member. Accordingly, net profits and net losses of JAX Op will initially be allocated, and distributions will be made, approximately 47.5% to us and approximately 52.5% to the holders of Class B Units. Holders of Class C Units will participate in allocations and distributions by JAX Op in accordance with the Restated LLC Agreement.

Subject to the availability of net cash flow at the JAX Op level and to applicable legal and contractual restrictions, we intend to cause JAX Op to distribute to us, and to the holders of Class B Units and Class C Units, cash payments for the purposes of funding tax obligations in respect of any net taxable income that is allocated to us and the other holders of Units as members of JAX Op, and to fund dividends, if any, declared by us. Any such distributions made by JAX Op to a member for the purposes of funding tax obligations will be treated as an advance against future distributions to be made to such member under the terms of the Restated LLC Agreement. JAX Op will also make guaranteed payments to us to fund our other cash needs pursuant to a written agreement. If JAX Op makes distributions to its members in any given year, the determination to pay the proceeds of such distributions received by the Company, if any, to holders of our Class A Common Stock will be made by the Board. We do not, however, expect to declare or pay any cash or other dividends in the foreseeable future on our Class A Common Stock, as we intend to reinvest any cash flow generated by operations in our business. Holders of our Class B Common Stock will not be entitled to any dividend payments. We may enter into credit agreements or other borrowing arrangements in the future that prohibit or restrict our ability to declare or pay dividends on our Class A Common Stock.

Exchange of Units

Pursuant to and subject to the terms of the Restated LLC Agreement, holders of Class B Units (other than the Company), at any time and from time to time, may surrender one or more Units, together with an equal number of shares of our Class B Common Stock to JAX Op for cash or, at the Company s option if it so chooses, exchange the Units for shares of our Class A Common Stock on a one-for-one basis, subject to customary exchange rate adjustments for stock splits, stock dividends and reclassifications.

The determination to issue shares of Class A Common Stock or to pay cash in exchange for Class B Units and corresponding shares of Class B Common Stock, and other related Company determinations discussed below, will be made by a committee of our Board composed of no fewer than two members, all of whom are independent from the exchanging member.

Holders will not have the right to exchange Class B Units if we determine that such exchange would be prohibited by law or regulation or would violate other agreements to which we may be subject. We may impose additional restrictions on exchange that we determine necessary or advisable so that JAX Op is not treated as a publicly traded partnership for U.S. federal income tax purposes. If the Internal Revenue Service were to

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contend successfully that JAX Op should be treated as a publicly traded partnership for U.S. federal income tax purposes, JAX Op would be treated as a corporation for U.S. federal income tax purposes and thus would be subject to entity-level tax on its taxable income.

In connection with each exchange for a cash payment or for shares of Class A Common Stock, the exchanged Units and shares of Class B common stock, if any, will automatically be deemed cancelled concurrently with such exchange. The Restated LLC Agreement also provides that, at the election of a Class C Unit holder, vested Class C Units may be surrendered to JAX Op, based on the value of JAX Op above a specified hurdle amount in respect of such Class C Units, for cash, or at the Company s option, if it so chooses, such Units may be exchanged for shares of our Class A Common Stock according to the terms of the Restated LLC Agreement, and in the case of the BKAS Class C Units, the exchange must be effected for shares of Class A Common Stock, as no cash option exists.

Thus, as holders exchange their Class B Units and Class B Common Stock, our economic interest in JAX Op will increase. We and the exchanging holder will each generally bear our own expenses in connection with an exchange.

We will reserve for issuance shares of our Class A Common Stock for potential issuance in respect of future exchanges of Units, including the aggregate number of Class B Units and Class C Units anticipated to be outstanding after completion of the Merger.

Coordination of J. Alexander s Holdings, Inc. and JAX Op

Whenever we issue one share of Class A Common Stock for cash, the net proceeds of such issuance will be transferred promptly to JAX Op, and JAX Op will issue to us one additional Class A Unit. If we issue other classes or series of equity securities, we will contribute to JAX Op the net proceeds we receive in connection with such issuance, and JAX Op will issue to us an equal number of equity securities with designations, preferences and other rights and terms that are substantially the same as our newly issued equity securities. Conversely, if we repurchase any shares of Class A Common Stock (or equity securities of other classes or series) for cash, JAX Op will, immediately prior to our repurchase, redeem an equal number of Class A Units (or its equity securities of the corresponding classes or series), upon the same terms and for the same price, as the shares of our Class A common stock (or our equity securities of such other classes or series) that are repurchased. Class B Units, Class C Units and shares of our common stock will be subject to equivalent stock splits, dividends and reclassifications.

We will not conduct any business other than the management and ownership of JAX Op and its subsidiaries, or own any other assets (other than on a temporary basis), although we may take such actions and own such assets as are necessary to comply with applicable law, including compliance with our responsibilities as a public company under the U.S. federal securities laws, and may incur indebtedness and may take other actions if we determine that doing so is in the best interest of JAX Op. To the extent the Company incurs expenses in connection with its operations, including this proxy solicitation and the Transactions, JAX Op will reimburse the Company pursuant to a written agreement between JAX Op and the Company.

Exculpation and Indemnification

The Restated LLC Agreement contains provisions limiting the liability of its managing member, members, officers and their respective affiliates to JAX Op or any of its members and contains broad indemnification provisions for JAX Op s managing member, members, officers and their respective affiliates. Because JAX Op is a limited liability company, these provisions are not subject to the limitations on exculpation and indemnification contained in the

TBCA with respect to the indemnification that may be provided by a Tennessee corporation to its directors and officers. The Charter (and the Restated Charter) of the Company includes similar exculpation provisions and indemnification obligations of the Company for the benefit of the Company s directors and

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officers, and permissive indemnification obligations of the Company for employees and other agents of the Company.

Voting Rights of Class A Shareholders and Class B Shareholders

Each share of our Class A Common Stock and our Class B Common Stock will entitle its holder to one vote. Immediately after the Merger, the Sellers, as the only holders of our Class B Common Stock, will collectively hold approximately 52.5% of the total voting power of the outstanding common stock of the Company, and, through an equal number of Class B Units, an equivalent economic interest in JAX Op.

Tax Consequences

Holders of Class A Units or Class B Units, including the Company, generally will incur U.S. federal and state income taxes on their proportionate shares of any net taxable income of JAX Op. In accordance with the tax regulations, under the Restated LLC Agreement profits and net losses of JAX Op will not necessarily be allocated to the holders in proportion to the Class A Units or Class B Units they hold. The Restated LLC Agreement provides for cash distributions to the holders for the holders assumed tax liability attributable to JAX Op. Generally, distributions in respect of a holder s assumed tax liability will be computed based on our estimate of the net taxable income of JAX Op allocable to such holder multiplied by an assumed tax rate and such distributions will be treated as an advance against any future distributions to be made to such holder under the terms of the Restated LLC Agreement. In accordance with the Restated LLC Agreement, JAX Op intends to make distributions to the holders in respect of such assumed tax liability and to fund dividends, if any, declared by the Company.

JAX Op intends to make an election under Section 754 of the Internal Revenue Code of 1986, as amended, which is effective for the 2018 tax year and for each taxable year in which there occurs an exchange of Class B Units, together with an equal number of shares of Class B common stock, for shares of our Class A Common Stock or cash from JAX Op. We expect that, as a result of this election, our acquisition of Class A Units, together with an equal number of shares of Class B Common Stock, in exchange for shares of our Class A Common Stock or cash from JAX Op will result in increases in the tax basis in our share of the tangible and intangible assets of JAX Op at the time of such acquisition or exchange, which will increase the tax depreciation and amortization deductions available to us and which could create other tax benefits. Any such increases in tax basis and tax depreciation and amortization deductions or other tax benefits could reduce the amount of tax that we would otherwise be required to pay in the future.

Black Knight Termination Agreement

The Consulting Agreement between the Company and BKAS permits JAX Op to terminate such agreement under circumstances set forth therein, in consideration of a fee paid by JAX Op. On August 3, 2017, JAX Op entered into the Black Knight Termination Agreement. Pursuant to the Black Knight Termination Agreement, the parties thereto have agreed that, effective as of and conditioned upon the Closing, the Consulting Agreement will terminate in exchange for a termination fee of $2,090,384 to be paid by JAX Op to BKAS, calculated pursuant to the terms of the Consulting Agreement, together with the payment of any fees or expenses accrued as of such date. Upon termination of the Consulting Agreement, the currently outstanding 1,500,024 profits interest units held by BKAS will have vested in full, in accordance with the terms of the profits interest units grant agreement. This represents the accelerated vesting of 500,008 currently unvested units. After the closing, the profits interest units must be exchanged for Class A Common Stock within 90 days following the Closing date, or if not exchanged, will be cancelled and forfeited.

As of November 10, 2017, a total of 1,000,016 of the profits interest units granted to BKAS on October 6, 2015 are vested. Under the Black Knight Termination Agreement, the remaining 500,008 unvested profits interest units granted to BKAS will immediately vest concurrent with the closing of the Transactions, resulting in the

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total outstanding 1,500,024 profits interest units being fully vested. The Consulting Agreement, together with the Unit Grant Agreement governing the terms of the BKAS profits interest grant, provides that if the Consulting Agreement is terminated for any reason other than a failure to perform under the Consulting Agreement by BKAS, all unvested and outstanding profits interest units would immediately vest. Therefore, if the Company had elected to terminate the Consulting Agreement absent the merger transaction, the unvested profits interest units held by BKAS would have similarly accelerated in their vesting. Under its original vesting schedule, the profits interest would have vested in full in October 2018.

The ultimate economic value of the profits interest grant will be dependent upon the market capitalization of the Company, if and when the grant s exchange rights are exercised by BKAS in the 90-day period after the termination of the Consulting Agreement. The Company s market capitalization is calculated as the 5-day VWAP of the Company s Class A Common Stock as of the exercise of the profits interest, multiplied by the number of outstanding shares of Class A and Class B Common Stock of the Company.

The profits interest units held by BKAS are exchangeable only for shares of Class A Common Stock of the Company and cannot be exchanged for a cash payment. The number of shares of Class A Common Stock issuable upon exercise of the profits interest grant will be calculated based on this market capitalization amount in excess of a designated hurdle rate, which is anticipated to be approximately $308.1 million after the Transactions (assuming a share price at closing of $9.85 per share). For illustrative purposes, the table below shows the Company s estimate as of November 10, 2017 of the number of shares of Class A Common Stock that will be issuable at varying VWAPs upon an exchange after the Merger of the 1,500,024 outstanding profits interest units held by BKAS:

VWAP	Estimated Number of Shares of Class A Common Stock
$9.00	
$10.00	7,000
$11.00	133,000
$12.00	238,000
$13.00	327,000
$14.00	404,000
$15.00	470,000

For a discussion of the value of the profits interest units for accounting purposes, see note 5 to the Unaudited Pro Forma Condensed Consolidated Financial Statements beginning on page 112 of this proxy statement.

The Company s indemnification obligations to BKAS and its related parties for losses relating to or arising under the services provided under the Consulting Agreement survive its termination. The number of shares of Class A Common Stock issuable upon the exchange of the BKAS profits interest units will be based upon the value of such BKAS profits interests on the date such exchange is made. The value is determined in reference to the market capitalization of the Company, with certain adjustments made for assets or liabilities contained at the Company s level which are not also assets and liabilities of JAX Op. These awards may not be settled with a cash payment.

FNF Waiver Agreement

The Company and FNF will enter into the FNF Waiver Agreement, pursuant to which FNF will (A) waive all covenants and other provisions of the Tax Matters Agreement that would prohibit or in any way purport to restrict the consummation of the Transactions in accordance with the terms of the Merger Agreement and (B) waive, on behalf of itself and the applicable indemnified parties in the Separation and Distribution

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Agreement and the Tax Matters Agreement, the right of FNF and any such applicable indemnified party to seek indemnification from or make claims against the Company under the Separation and Distribution Agreement or the Tax Matters Agreement arising out of any liability incurred or loss suffered by FNF or any such applicable indemnified party relating to, arising out of or resulting from the Transactions.

Transition Services Agreement

JAX Op will enter into the Transition Services Agreement with FNH and ABRH pursuant to which FNH and ABRH will agree to provide certain services including, without limitation, information technology, accounting and benefits support, to JAX Op, 99 Restaurants and their respective subsidiaries for specified time periods to be agreed upon by the parties. These services will be intended to ensure continuous operation of the 99 Restaurants locations until they can be fully integrated into the Company s operations. The Company expects to pay a monthly fee for transition services for a period of six to twelve months after the Closing. The fee will initially be approximately $500,000 per month and will be subject to reduction upon transition of various services, which is expected to commence as soon as practicable after Closing.

Amendment to Credit Facility

In addition to the above, based on discussions with lenders, the Company anticipates that it will enter into an amendment to its existing credit facility to obtain an additional term loan in the amount of $20 million at pricing terms similar to those of the existing facility.

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UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following unaudited pro forma condensed consolidated financial information presents the unaudited pro forma condensed consolidated balance sheet and unaudited pro forma condensed consolidated statements of income based upon the combined historical financial statements of the Company and 99 Restaurants, after giving effect to the Transactions and adjustments described in the accompanying notes. The Transactions will be accounted for as a reverse acquisition under the acquisition method of accounting, which requires determination of the accounting acquirer. The accounting guidance for business combinations, Accounting Standards Codification 805, provides that in identifying the acquiring entity in a combination effected through an exchange of equity interests, all pertinent facts and circumstances must be considered, including: the relative voting rights of the stockholders of the constituent companies in the combined company, the existence of a large minority voting interest in the combined entity if no other owner or organized group of owners has a significant voting interest, the composition of the board of directors and senior management of the combined company, the relative size of each company and the terms of the exchange of equity securities in the business combination, including payment of any premium.

Because 99 Restaurants equity holders, FNH and FNFV, will receive a majority of the equity securities and voting rights of the combined company, the 99 Restaurants historical business is larger than the Company s in terms of revenues, income and number of units, and given that FNFV will nominate an additional board member, William P. Foley, II, to the combined company s board of directors, 99 Restaurants is considered to be the acquirer of the Company for accounting purposes. This means that the combined company will allocate the deemed purchase price to the fair value of the Company s assets and liabilities at the acquisition date, with any excess purchase price being recorded as goodwill.

The unaudited pro forma condensed consolidated balance sheet as of October 1, 2017 reflects the Transactions as if they occurred on October 1, 2017. The unaudited pro forma condensed consolidated statements of income for the year ended January 1, 2017 and the nine months ended October 1, 2017 reflect the Transactions as if they occurred on January 4, 2016, the beginning of the earliest period presented. All dollar figures presented in the pro forma financial statements and notes thereto are presented in thousands, unless otherwise noted.

The unaudited pro forma condensed consolidated financial information should be read in conjunction with the audited and unaudited historical financial statements of each of the Company and 99 Restaurants and the notes thereto, as well as the disclosures contained in the Company s Management s Discussion and Analysis of Financial Condition and Results of Operations incorporated by reference herein. Additional information about the basis of presentation of this information is provided in Note 1 hereto.

The unaudited pro forma condensed consolidated financial information was prepared in accordance with Article 11 of Regulation S-X. The unaudited pro forma adjustments reflecting the Transactions have been prepared in accordance with business combination accounting guidance as provided in Accounting Standards Codification 805, and reflect the allocation of the preliminary deemed purchase price to the acquired assets and liabilities based upon their estimated fair values, using the assumptions set forth in the notes to the unaudited pro forma condensed combined financial information.

The unaudited pro forma condensed consolidated financial information is provided for informational purposes only and is not necessarily indicative of the operating results or financial position that would have occurred if the Transactions had been completed as of the dates set forth above, nor is it indicative of the future results or financial position of the combined company. The historical financial information has been adjusted to give pro forma effect to events that are directly attributable to the transaction, factually supportable, and, with respect to the unaudited pro forma condensed consolidated statements of income, expected to have a continuing impact on the combined results. The unaudited pro forma condensed consolidated financial information also does not give effect to the potential impact of current financial conditions, any anticipated synergies, operating efficiencies or cost savings that may result from the Transactions or any integration costs. Furthermore, the unaudited pro forma

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condensed consolidated statements of operations do not include certain nonrecurring charges and the related tax effects which result directly from the Transactions as described in the notes to the unaudited pro forma condensed combined financial information. The pro forma adjustments are preliminary and based on estimates of the fair value of the assets acquired and liabilities assumed and have been prepared to illustrate the estimated effect of the Transactions. The final determination of the purchase price allocation will be based on the fair values of assets acquired and liabilities assumed as of the date the Transactions close, and could result in a significant change to the unaudited pro forma condensed combined financial information, including goodwill.

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Unaudited Pro Forma Condensed

Consolidated Balance Sheet

As of September 3, 2017 for Ninety Nine and

October 1, 2017 for J. Alexander s

(in thousands)

	Historical				
	99 Restaurants, LLC(1)	J. Alexander s Holdings, Inc.(1)	Pro Forma Adjustments		Pro Forma Combined
Assets					
Current assets:					
Cash and cash equivalents	$ 4,317	$ 8,285	$ (2,090)	(5)	$ 10,512
Accounts and notes receivable	948	1,997			2,945
Inventories	3,261	2,444			5,705
Prepaid expenses and other current assets	1,995	1,846			3,841
Total current assets	10,521	14,572	(2,090)		23,003
Other assets	6,879	6,091			12,970
Property and equipment, net	52,679	101,915			154,594
Goodwill		15,737	222	(2)	15,959
Tradename and other indefinite-lived intangibles	11,840	25,160	35,547	(2)	72,547
Total assets	$ 81,919	$ 163,475	$ 33,679		$ 279,073
Liabilities and Membership Equity					
Current liabilities:					
Accounts payable	$ 2,877	$ 5,398	$		$ 8,275
Accrued expenses and other current liabilities	13,942	9,457			23,399
Unearned revenue	1,335	2,332			3,667
Current portion of long-term debt		9,000			9,000
Total current liabilities	18,154	26,187			44,341
Long term debt, net of portion classified as current and deferred loan costs		12,007	20,000	(3)	32,007
Deferred compensation obligations		6,213			6,213
Other long-term liabilities	10,984	10,090			21,074
Total liabilities	29,138	54,497	20,000		103,635
Members / shareholders equity:					
Members equity	52,781		(52,781)	(4)	

Preferred stock, no par value, 10 million shares authorized, no shares outstanding actual or pro forma adjusted					
Class A Common stock, $0.001 par value per share, 70 million shares authorized, 14.7 million shares outstanding actual and 14.7 million shares outstanding pro forma adjusted		15			15
Class B Common stock, $0.001 par value per share, 20 million shares authorized, no shares outstanding actual and 16.3 million shares outstanding pro forma adjusted			16	(2)	16
Additional paid in capital		94,964	(22,593)	(3)(4)(5)	72,371
Retained earnings		8,155			8,155
Total members /shareholders equity attributable to					
J. Alexander s Holdings, Inc.	52,781	103,134	(75,358)	(2)	80,557
Non-controlling interests		5,844	89,037	(7)	94,881
Total liabilities and equity	$ 81,919	$ 163,475	$ 33,679		$ 279,073

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Unaudited Pro Forma Condensed

Consolidated Statement of Income

For the Nine Months Ended September 3, 2017 for Ninety

Nine and October 1, 2017 for J. Alexander s

(in thousands, except

per share data)

	Historical				
	99 Restaurants, LLC(1)	J. Alexander s Holdings, Inc.(1)	Pro Forma Adjustments		Pro Forma Combined
Net sales	$ 214,696	$ 171,917	$		$ 386,613
Costs and expenses:					
Cost of sales	62,212	54,878			117,090
Restaurant labor and related costs	74,910	53,456			128,366
Depreciation and amortization of restaurant property and equipment	8,219	7,445			15,664
Other operating expenses	39,573	34,673			74,246
Total restaurant operating expenses	184,914	150,452			335,366
Transaction and integration expenses		2,435	(2,435)	(8)	
General and administrative expenses	18,378	15,479	(2,647)	(5)	31,210
Pre-opening expense	85	934			1,019
Total operating expenses	203,377	169,300	(5,082)		367,595
Operating income	11,319	2,617	5,082		19,018
Other income (expense):					
Interest expense		(625)	(456)	(3)	(1,081)
Other, net		94			94
Total other income (expense)		(531)	(456)		(987)
Income from continuing operations before income taxes	11,319	2,086	4,626		18,031
Income tax (expense) benefit		242	(2,596)	(6)	(2,354)
Income from continuing operations	11,319	2,328	2,030		15,677

Income from continuing operations attributable to non-controlling interests			9,466	(7)	9,466
Income from continuing operations attributable to J. Alexander s Holdings, Inc.	$ 11,319	$ 2,328	$ (7,436)		$ 6,211
Earnings per share:					
Weighted average of common stock outstanding					
Basic	NA	14,695			14,695
Diluted	NA	14,792	16,273		31,065
Income from continuing operations available to common shareholders per share(9)					
Basic	NA	$ 0.16			$ 0.42
Diluted	NA	$ 0.16			$ 0.50

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Unaudited Pro Forma Condensed

Consolidated Statement of Income

For the Year Ended December 25, 2016 for Ninety Nine

and January 1, 2017 for J. Alexander s

(in thousands, except per

share data)

	Historical				
	99 Restaurants, LLC(1)	J. Alexander s Holdings, Inc. (1)	Pro Forma Adjustments		Pro Forma Combined
Net sales	$ 303,964	$ 219,582	$		$ 523,546
Costs and expenses:					
Cost of sales	88,112	69,320			157,432
Restaurant labor and related costs	104,518	67,102			171,620
Depreciation and amortization of restaurant property and equipment	10,625	8,834			19,459
Other operating expenses	56,650	43,873			100,523
Total restaurant operating expenses	259,905	189,129			449,034
Transaction and integration expenses		64			64
General and administrative expenses	26,303	18,852	(3,177)	(5)	41,978
Pre-opening expense	788	1,443			2,231
Total operating expenses	286,996	209,488	(3,177)		493,307
Operating income	16,968	10,094	3,177		30,239
Other income (expense):					
Interest expense	(13)	(662)	(608)	(3)	(1,283)
Other, net		107			107
Total other income (expense)	(13)	(555)	(608)		(1,176)
Income from continuing operations before income taxes	16,955	9,539	2,569		29,063
Income tax (expense) benefit		(2,062)	(1,746)	(6)	(3,808)

Income from continuing operations	16,955	7,477	823		25,255
Income from continuing operations attributable to non-controlling interests			15,258	(7)	15,258
Income from continuing operations attributable to J. Alexander s Holdings, Inc.	$ 16,955	$ 7,477	$ (14,435)		$ 9,997
Earnings per share:					
Weighted average of common stock outstanding					
Basic	NA	14,821			14,821
Diluted	NA	14,840	16,273		31,113
Income from continuing operations available to common shareholders per share(9)					
Basic	NA	$ 0.50			$ 0.67
Diluted	NA	$ 0.50			$ 0.81

(1) The Company s historical results are derived from the Company s audited consolidated statement of income and comprehensive income for the year ended January 1, 2017 and the unaudited condensed consolidated balance sheet as of October 1, 2017 and unaudited condensed consolidated statement of income and comprehensive income for the nine months ended October 1, 2017 under GAAP. 99 Restaurants historical results include the audited consolidated statement of income for the year ended December 25, 2016, unaudited consolidated carve-out balance sheet as of September 3, 2017, and unaudited consolidated

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carve-out income statement for the nine months ended September 3, 2017 under GAAP. Certain reclassifications to the 99 Restaurants financial information have been made to conform to the condensed consolidated presentation of the Company. It is also anticipated that future accounting periods for 99 Restaurants will be aligned with those of the Company upon closing of the Transactions.

(2) Represents the adjustments to reflect the purchase price allocation of the Company to its identified assets acquired and liabilities assumed. The fair value of the consideration effectively transferred in a reverse acquisition is based on the most reliable measure, which is in this case the quoted market price of the Company s common stock as of the date of the merger transaction. For purposes of this pro forma presentation, $9.85 per common share is being used as the market price of the Company s outstanding stock, which was the closing price of the company s common stock as of November 10, 2017. As the Company currently has 14,695,176 shares of common stock outstanding, this results in a purchase price of $144,747. The final purchase consideration could significantly differ from the amounts presented in the unaudited pro forma condensed combined financial information due to movements in the Company s common stock price as of the closing date of the Transactions. Also for purposes of this pro forma presentation, it is assumed that the fair value of the Company s current and long-term assets and liabilities, with the exception of tradenames and goodwill, approximates current book value. The initial valuation of the tradenames used by the Company resulted in an increase to the book value of tradename intangible assets of $35,547, and the remaining excess purchase price of $222 was allocated entirely to goodwill in the unaudited consolidated pro forma balance sheet as of October 1, 2017. Because it has been assumed for purposes of this pro forma presentation that the fair value of property and equipment and other amortizable assets approximates current book value, no further adjustments have been presented with regard to depreciation and amortization expense within the unaudited pro forma condensed combined income statements. Management believes this to be a reasonable assumption given that the Company s historical financial statements were adjusted to fair value in conjunction with the Company s purchase by FNF in 2012. Additionally, it should be noted that the Company does not expect any significant changes to useful life assumptions of depreciable assets for the combined company. The actual purchase price allocation is dependent upon certain valuation and other studies that will not be completed until after the Transactions have closed. Accordingly, the pro forma purchase price allocation is subject to further adjustments as additional information becomes available and as additional analyses and final valuations are conducted following the completion of the Transactions.

A sensitivity analysis related to the fluctuation in the Company s common stock price was performed to assess the impact that a hypothetical change of 10% on the closing price of the Company s common stock on November 10, 2017 would have on the estimated purchase price and goodwill as of the closing date, assuming no other changes in fair value assumptions included herein. The following table shows the change in stock price, estimated purchase price and goodwill (all dollars in thousands, except stock price):

Change in stock price	Stock Price	Estimated Purchase Price	Goodwill
Increase of 10%	$ 10.84	$ 159,222	$ 14,697
Decrease of 10%	$ 8.87	$ 130,273	$ (14,252)

(3) Represents the reduction of equity and increase to the debt to be assigned to 99 Restaurants prior to the Transactions. This entry is the result of a $40,000 contribution of cash by FNFV to 99 Restaurants, offset by the $60,000 of debt assigned by FNH, the current parent company of 99 Restaurants. The $40,000 in cash will be used to repay a portion of the debt, resulting in remaining additional debt of $20,000 for the combined company. Additionally, an estimated increase to interest expense for the $20,000 of remaining debt is reflected on the

unaudited pro forma combined income statements for the year ended January 1, 2017 as well as for the nine months ended October 1, 2017. It should be noted that the expectation is that the $20,000 of remaining debt will be refinanced with the Company s current lender concurrent with the closing of the Transactions. For purposes of this pro forma presentation, we have assumed an interest rate of 3.6% on the $20,000 in additional debt which is based on quoted terms from our lender.

(4) Represents the reclassification of the current equity of 99 Restaurants to additional paid in capital, to appropriately reflect the equity structure of the combined entity.

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(5) Represents the reduction of general and administrative expense for the following items:

a. Due to the termination of the Consulting Agreement, which is directly attributable to the Transactions and will coincide with the closing date of the Transactions, the Company will no longer owe the 3% of adjusted EBITDA cash fee for consulting services to BKAS. The historical income statements for the year ended January 1, 2017 and the nine months ended October 1, 2017 included $699 and $559, respectively, in general and administrative expense associated with this fee. The pro forma adjustments include a reduction of this expense to reflect the fact that these fees would not have been owed had the Transactions taken place at the beginning of fiscal 2016. The pro forma adjustments to the respective income statements do not include any nonrecurring charges, including the termination payment that will be required to be made under the agreement at the closing of the Transactions totaling $2,090. However, the $2,090 termination payment has been reflected as a reduction to cash in the unaudited pro forma condensed consolidated balance sheet as it is directly related to the Transactions and is expected to be accounted for as an expense in the post-combination period immediately after the Closing.

b. As an additional result of the termination of the Consulting Agreement, the profits interest grant made to BKAS by JAX Op will have vested fully and as such no further compensation expense related to this grant would be recognized. The historical income statements for the year ended January 1, 2017 and the nine months ended October 1, 2017 included $2,039 and $1,715, respectively, in general and administrative expense associated with this grant. The pro forma adjustments include a reduction of this expense to reflect the fact that this compensation would not have been recognized had the Transactions taken place at the beginning of fiscal 2016. The pro forma adjustments do not include any nonrecurring charges, including the acceleration of the remaining expense related to the BKAS profits interest grant due to the acceleration of vesting of the grant. The amount of that nonrecurring charge is dependent on the final valuation of the BKAS profits interest grant, but based on facts and valuations as of October 1, 2017, the estimated charge would approximate $2,235.

c. As a direct result of the Transactions, all outstanding Company stock options will accelerate in their vesting. Accordingly, no additional compensation expense will be recorded related to these outstanding options after the Transactions are consummated. The historical income statements for the year ended January 1, 2017 and the nine months ended October 1, 2017 included $439 and $560, respectively, in general and administrative expense associated with these options. The pro forma adjustments include a reduction of this expense to reflect the fact that this compensation would not have been recognized had the Transactions taken place at the beginning of fiscal 2016. The pro forma adjustments do not include any nonrecurring charges, including the acceleration of the remaining expense related to the outstanding stock options due to the acceleration of vesting of the grants. The amount of that nonrecurring charge associated with the acceleration of the outstanding stock options is approximately $1,930.

(6) The Company is subject to applicable federal and certain state and local income taxes with respect to its share of allocable taxable income of JAX Op. The historical financial statements of the Company have reflected this income tax expense. However, 99 Restaurants is currently structured as a single-member LLC, and therefore, its historical financial statements have not reflected any income tax expense. The unaudited pro forma condensed

consolidated statements of income reflect a pro forma adjustment to show the tax effect of the Company s allocable share of the combined company s pre-tax income from continuing operations, as well as the tax impact of all of the previously disclosed pro forma adjustments to income. The adjustment assumes a 28% effective tax rate for both the year ended January 1, 2017 for the nine months ended October 1, 2017. Such tax rate is consistent with the effective tax rate generally expected for the combined company based on preliminary tax provision calculation.

(7) Represents the allocation of pre-tax income from continuing operations between controlling and non-controlling interests. The Company will own 47.5% of the outstanding Class A Units and Class B Units of the operating subsidiary, JAX Op. As such, the minority interest allocated to the holders of the newly issued Class B Units of the partnership represents 52.5% of the pre-tax income from continuing operations. Note

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that this calculation does not contemplate the impact that any outstanding Class C profits interest grant units may have on the minority interest calculation. Historically, those profits interest grant units have not required the allocation of income based on a hypothetical liquidation of book value calculation. Further, represents the allocation of equity on the pro forma condensed consolidated balance sheet to non-controlling interest based on the relative ownership percentages discussed above.

(8) Reflects the adjustment to the unaudited pro forma condensed combined statement of income for the nine months ended October 1, 2017 to reflect the exclusion of transaction and integration costs that would have been incurred prior to the period presented had the Transactions occurred at the beginning of fiscal 2016.

(9) Pro forma basic income from continuing operations per share was computed by dividing the pro forma continuing income from operations attributable to our common shareholders by the number of shares of Class A Common Stock outstanding. The Company has determined that no income would be allocated to the outstanding shares of Class B Common Stock due to the fact that they are not participating securities with regard to the Company s earnings, and as such no separate presentation of earnings per share with regard to the Class B Common Stock is necessary. Rather, a disclosure of the number of outstanding shares of Class B Common Stock of 16,272,727 would be made in the Company s footnotes. Pro forma diluted income from continuing operations per share was computed by dividing the pro forma continuing income from operations by the total number of shares of Class A Common Stock outstanding, assuming that the total number of shares of Class B Common Stock were converted to shares of Class A Common Stock under the if-converted method on a one-for-one basis as of the beginning of the respective periods presented. The numerator in the diluted earnings per share calculation is adjusted to add back any amounts attributable to non-controlling interests due to the assumed conversion under the if-converted method. It should be noted that no additional dilution from outstanding stock options of the Company or Class C profits interest units outstanding at JAX Op was assumed for purposes of these pro forma calculations. See the table below for the calculation of pro forma earnings per share of the combined company after the closing of the Transactions:

	For the Period Ended October 1, 2017	For the Year Ended January 1, 2017
Income from continuing operations available to common shareholders:		
Basic	$ 6,211	$ 9,997
Diluted	$ 15,677	$ 25,255
Weighted average of common stock outstanding:		
Basic	14,695	14,821
Impact of Acquisition		
Total	14,695	14,821
Diluted	14,792	14,840
Impact of Acquisition	16,273	16,273